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2 June 1980

West Europe Report

(FOUO 26/80)

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NATO NEGOTIATING OFFER ON TNF WEAPONS ANALYZED

Bonn EUROPA-ARCHIV in German 10 Apr 80 pp 215-226

/Article by Dr Lothar Ruehl, Brussels correspondent for Second German Television: "NATO Negotiating Offer to Soviet Union -- Search for a Balance in 'Eurostrategic Weapons'"/

/Text/ In conjunction with its resolution on introducing intermediate-range nuclear weapons systems in Western Europe,[1] NATO (the Atlantic defense alliance, excluding France) also decided in December 1979 on a negotiating offer to the Soviet Union.[2] The United States was commissioned (or empowered) to conduct negotiations concerning mutual limitations on U.S. and Soviet nuclear weapons of a longer, "continental" range (long-range theater nuclear forces = LRTNF). It was the intention of the governments involved that these "peripheral" weapons systems be negotiated within the framework of the SALT talks, which, it was hoped at this time, would be continued soon after ratification of the second SALT treaty by the U.S. Senate.

It was an open secret that this offer to negotiate was connected with the serious objections that had arisen in some countries of the alliance to introduction of the new intermediate-range systems. At the insistence of some alliance partners, the years that it would take for the new systems to become operational were to be used to try to arrive at an understanding with the Soviet Union on mutual restrictions in the area between the "tactical" and the intercontinental weapons systems. Thus, "theater nuclear forces" /TNF/ were to be drawn into the SALT process for the first time -- TNF meaning weapons systems covering targets in the European theater of war.

On the Scope of the Negotiating Offer

The NATO offer was initially limited to land-based intermediate-range nuclear ballistic weapons for theater use by the United States and the Soviet Union. Parity was equated with the "principle of equality between both sides," as it says in the communique (Section 9 d) dated 12 December 1979. The text further describes this principle as "equality of both the

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upper limits as well as the rights" of both sides. On the other hand, there is no mention of the actual objects of negotiation -- the targetable weapons. Although the NATO partners are seeking approximate parity in nuclear warheads on intermediate-range offensive weapons, only "missiles" and "systems" are mentioned in the text.

This omission deserves mention in view of the previous history of the offer within the alliance and in light of the fact that the modern Soviet SS-20 intermediate-range missiles carry three independently targeted warheads. It is all the more noteworthy since the same communique expressly comments on the multiple warheads of the SS-20 missiles and, moreover, stresses that all 572 missile systems that are to be brought in to modernize NATO's LRTNF in Europe will be "equipped with only one warhead." The communique furthermore links "the 572 LRTNF warheads" directly with the announced withdrawal of 1,000 nuclear warheads from U.S. depots in Europe, so the modernization would "not increase the importance of nuclear weapons for NATO." Until shortly before publication of the 12 December communique, NATO officials in Brussels and high-ranking allied officers had related arms control parity to the number of targetable warheads on land-based missile systems; they said that NATO could dispense with adoption of the 572 planned intermediate-range missiles only if all Soviet intermediate-range missiles (SS-4's, SS-5's, SS-20's) -- NATO estimated the number to be about 700 at the end of 1979 -- were cataloged and at least all SS-20 systems were dismantled. This would be the precondition for a "zero deployment."

The communique presents as an "immediate goal" of the proffered negotiation an agreement on limiting the number of U.S. and Soviet land-based missile systems in SALT III. It mentions an "overall" nuclear "balance" (Section 9), a "spectrum of the nuclear reactions available to the alliance" (Section 5) and the goal of a "more stable military ratio of forces between East and West" (Section 8). The ambiguity and vagueness of these phrases point to a negotiating objective that was not expressly stated in the communique on 12 December: an overall strategic parity between the nuclear forces of the Soviet Union and those of the North Atlantic Alliance. An "across-the-board" parity such as this, which would include all intercontinental, continental and other long-range and intermediate-range systems with nuclear capabilities, would even out the disparities that exist on both sides in individual sectors or at various levels because of the different technologies and armed forces' structures.

Accordingly, the "equality of upper limits and of rights" called for in a supplementary nuclear arms control agreement might very well refer not only to the land-based missile systems of the United States and the Soviet Union in the LRTNF sphere; on the contrary, it might refer to all offensive nuclear weapons systems in this range category: land- and sea-based missiles as well as aircraft -- in other words, to weapons systems that initially were not supposed to be made objects of the proffered negotiation. Should this logical conclusion prove true, the real objective of

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the NATO partners would be revealed as a limiting of the Soviet offensive potential of the SS-20 and the Backfire bomber at the price of an overall limitation on Western nuclear weapons. To put it another way, the NATO partners would be using the SS-20 and Backfire as a reason for revising their longstanding position on keeping peripheral nuclear weapons free of arms limitations. As a result, the Soviet Union might achieve the SALT goal it has been pursuing since 1969, which is that of including in SALT limitations all delivery systems for nuclear weapons capable of attacking Soviet territory from any geographical launch sites whatsoever. Leonid Brezhnev's offer dating from 6 October 1979 can also be understood in this context. It is therefore interesting that on 12 December the NATO partners responded to the Brezhnev speech in East Berlin[3] with the rather positive-sounding judgment that the Soviet party and government chief had expressed a "willingness" in this regard (cf Section 9 of the communique).[4] This simple term, one that requires explanation, refers in the text to the preceding statement that "the disquieting expansion of the Soviet LRTNF potential" makes it necessary to limit corresponding U.S. and Soviet arms, with the aim of establishing " a more stable overall balance at lower levels of nuclear weapons" (a better translation would be: "overall nuclear balance...").[5]

Differing Conceptions of Balance

Aside from the element of a willingness to negotiate on intermediate-range nuclear weapons, Brezhnev's theses dating from 6 October 1979 -- views which he confirmed a month later in an interview with Moscow's PRAVDA -- received anything but a positive assessment within NATO, and especially in Washington. On the contrary, criticized as an evasion of the problem at hand and as political deception was Brezhnev's remark that his government was willing "to reduce in comparison to present levels the number of intermediate-range nuclear weapons vehicles positioned in the western regions of the Soviet Union" if "no additional intermediate-range nuclear weapons vehicles" were "positioned in Western Europe."[7] The U.S. NATO delegation had presented a detailed rejection of Brezhnev's interpretation of the forces ratio and of Soviet deployment policy in this sector. One of the main points of the U.S. criticism concerned Brezhnev's masking of the SS-20 and the fact that the Soviet head of state had spoken only of delivery systems, not targetable weapons; he had thus concealed the increase in the number of these weapons resulting from the triple warhead systems of the SS-20. The U.S. exegesis of the Brezhnev speech had also accentuated the element of the threat to Western Europe.

The similar absence of any mention of nuclear warheads in the negotiating offer of the NATO partners could only mean that they were going to meet their negotiating opponents on their own ground right in the preparatory phase leading up to negotiations. Indeed, Brezhnev had maintained on 6 October that "in the last 10 years, the number of intermediate-range nuclear weapons vehicles in the European part of the Soviet Union has not been increased by a single missile, by a single airplane," and that, "on

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the contrary, the number of launch pads for intermediate-range missiles as well as the size of the nuclear payloads of these missiles has even decreased somewhat." He also said that the number of medium-range bombers had been "reduced" and, finally, that the Soviet Union did not station such weapons on the territory of other states. In the face of this line of argument, it was deemed necessary to establish as the basis of the Western negotiating offer the actual criteria for the changes that had occurred in the ratio of forces (which was already marked by vast Soviet superiority even before the SS-20 and the Backfire bomber were introduced). This had also been planned in Brussels.

Nevertheless, the tactical lessons learned from the SALT and MBFR negotiations made it appear advantageous not to make any precise offer on specific points, so as not to provide the Soviet Union with opportunities for concentrated pressure on the Western negotiating position or for tactical maneuvers even before the negotiations had begun. A premature selection by the West of specific negotiating points like GLCM's [ground-launched cruise missiles] and MRBM's [medium-range ballistic missiles] was to be avoided, especially since the offer of the NATO partners -- who thus appeared as the petitioner but who still had no weapons of this kind ready for deployment in Europe at the time of the offer -- had to bring up to date the entire FBS (FBS = forward-based systems, or forward-based systems capable of reaching Soviet territory) concept for SALT III. The United States had already reserved the right to diplomatic freedom of action with reference to land-based medium-range nuclear-capable bombers because the Soviet Union had refused in SALT II to include as "strategic systems" in the SALT arms limitations its own combat aircraft of this category (with a maritime and a marginal intercontinental operational range) -- the Tu-22 M (Backfire) -- and because 240 of these aircraft could be deployed by the end of 1985. On the other hand, the Vienna SALT II Treaty has already defined cruise missiles as belonging to the category of weapons delivery systems, regardless of whether they are armed with nuclear or conventional weapons. This asymmetry in the original position for SALT III resulting from SALT II dictates that the main Western negotiators be especially cautious -- as does the entire FBS concept in general. The same is true for all sea-based intermediate-range systems, especially since neither Great Britain nor France is placing its SLBM [sea-launched ballistic missile] systems or missile submarines at the disposal of the negotiations; these systems and vessels are their strategic weapons for purposes of national deterrence (the deterrent effect in both cases is minimal since the number of targetable weapons is limited). All the same, the prospective conversion of both the British and French SLBM's to MIRV [multiple independently targeted reentry vehicle] weapons will change the numbers in the East-West ratio. As far as the Eastern side of the equation is concerned, growth of "short-range systems" for Soviet air and missile forces in Europe has to be expected in the foreseeable future in terms of both numbers and range.

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It remains to be seen what effects the calculation of the allies to put off naming the actual points of negotiation will have. Questions of diplomatic tactics find their answers in the results of diplomacy. The first concrete negotiating offer on intermediate-range nuclear weapons is closely tailored to the priority need of the West to halt the growth of SS-20 deployment. In order to advance toward this goal NATO has left open the broader field, thus preserving some leeway -- loeway for a parity agreement covering launch systems, for example. There is sufficient room for compromise between the two extremes -- an equal number of warheads for land-based ballistic weapons or an equal number of launch systems for all intermediate-range offensive weapons. All the same, with their open negotiating offer for mutually offsetting intermediate-range offensive systems, the NATO partners have ventured upon dangerous ground in this respect as well, as has already been signaled by the public controversy in the West on the real ratio of forces in the "gray zone" of the intermediate-range sphere.

It may be all the more difficult to arrive at an understanding with the Soviet Union on mutually acceptable and applicable definitions for designating "intermediate-range systems" for an arms control agreement, since substantial portions of the nuclear forces of both sides can be counted among the "central" strategic forces as well as the "peripheral" or "regional," depending on where they are stationed and what their mission is at a particular time. An example of this is the ambivalent case of the U.S. Poseidon SLBM in the NATO European Command sector (40 missiles with 400 warheads on 5 submarines in which, moreover, an additional 40 Poseidons carrying 400 warheads are mounted for operations in accordance with the central U.S. SIOP target plan). The NATO partners exclude from their calculation of the "continental" intermediate-range forces ratio -- and from their negotiating offer -- these 40 SLBM's and their 400 warheads which are designated for a European theater of war. They exclude them because their availability is only relative and because they are already covered by SALT; they are counted in the across-the-board parity of SALT II.[8] But how should their number be reckoned and valuated later in an "overall strategic ratio of forces" with reference to the European intermediate-range sphere?

The tactical nuclear fighters on U.S. aircraft carriers present a different calculation problem for "balanced" agreements. Their availability depends upon the position of their carriers with respect to the Soviet Union, visibility, the weather and the operational situation at sea. All these factors are subject to change. How could they be fixed for a long-term arms control agreement? The NATO partners excluded these aircraft from their 1979 offer for the first phase of negotiations, but from the beginning of the SALT process in 1969 the Soviet Union has been demanding their inclusion in SALT limitations as FBS's. And there is no reason to assume that the Soviets will give up this previously rejected SALT demand and then agree to negotiate on their own land-based medium-range combat aircraft like the Tu-22 M (Backfire) bomber and naval patrol aircraft.

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NATO's idea of wanting initially to negotiate only on land-based longer- or "intermediate"-range ballistic weapons is tailored to the needs of the West. Since the East has clear superiority in this tightly drawn sector in which the forces ratio is easy to determine, and since, moreover, NATO's LRTNF modernization program calls for only these weapons systems, a quid pro quo presents itself: On the basis of approximately 700 Soviet launch systems for intermediate-range missiles compared to only 18 for the West in France, approximate parity can be achieved as a negotiating result with the aid of NATO's armament option set at a maximum of 572 targetable weapons; this could be done, for example, by restricting the number of SS-20 launch systems in the entire Soviet Union and by dismantling the SS-4's and SS-5's. A total of 150 SS-20 missiles carry 450 warheads. Even if all 590 of the SS-4's and SS-5's were to be withdrawn so far from the western region of the Soviet Union that they could no longer reach Western Europe, an arms control agreement with this parity level for targetable weapons -- 450 to 500 -- would still have to ensure that each SS-20 launch system in the Soviet Union would be equipped with only a single missile and that the capability for reloading with up to four missiles would not be used in operational deployment.

U.S. reconnaissance findings and estimates for the further deployment of intermediate-range systems in the Soviet Union in the next 3 years up to 1983 assume that the number of weapons (targetable warheads) will double from the present level of about 1,400 to more than 3,000. Growth of the SS-20 is figured into the accounting as the principal factor in the increase. According to U.S. observations at the end of 1979, 23 positions for 69 SS-20 launch systems were either ready for use or under construction; deduced from this was the deployment of up to 207 SS-20 missiles for 1980 and 1981. Western estimates reveal that about 50 SS-20 launch systems will have been added per year up to 1983, thus amounting to between 180 and 225 launch systems by the beginning of 1983. This means the West would have to reckon with up to 675 missiles, each with three warheads -- or more than 1,800 SS-20 warheads.

This assumption offers an example of the argument being presented inside NATO against a parity goal for arms limitation in the intermediate range as an end in itself. Since, however, the figure of 572 NATO intermediate-range weapons in Europe will on the one hand not be increased, but on the other hand is also not to be substantially reduced, NATO diplomacy offers no broad range of possibilities unless the Soviet Union limits SS-20 deployment to its present level or even reduces it.

Definition and Verification Problems

The NATO partners have indicated[9] that a withdrawal of SS-20's from the European region of the Soviet Union would not suffice, because their range of 4,600 km or more with three warheads would still make it possible to hit most of Western Europe even from a geographical line running between Petropavlovsk and Tashkent. The mobility on land and the presumed mid-air

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loading capability of the launch systems and their missiles make it more difficult to monitor observance of an agreement. The uncertainties evident in the evaluation of U.S. satellite reconnaissance findings on the respective deployment levels of the SS-20 potential in the Soviet Union since 1977 point up the risk of basing evaluations on nonverifiable assumptions about the SS-20 and of agreeing to nonverifiable limitations.

It is this very risk that prompts a further negotiating dimension for an arms control agreement. Yet, a further dimension would include the real gray zone of ambivalent weapons systems of variable range, armament and deployment; in other words, it would complicate agreement on arms control and make the parity agreed upon in the lower distance range vulnerable to changes, and additional identification problems, together with definition problems, would make verification very difficult. On the other hand, exclusion of this critical sector leading to longer-range tactical weapons systems would mean that, on the basis of the existing and unchangeable geographic asymmetry in Europe, armaments in this part of the spectrum would remain free of arms control -- to the advantage of the Soviet Union.

An example: All Soviet tactical attack aircraft placed in service since 1970 have a maximum penetration range of 900 km or more. According to the latest NATO information, the Su-19's (Fencers) are capable of flying approximately 1,000-km attack missions carrying nuclear weapons and of returning to base nonstop. How would these aircraft be classified? In the western part of the Soviet Union would they be considered LRTNF systems as defined by NATO? And how high would one rate the military threat to Western Europe generated by them in the case of an action radius of up to 300 km west of the /Warsaw/ Pact border? The significance of the depth of penetration of the Tu-22 M bomber (Backfire) to the more remote territory of Western Europe (up to 3,500 km) illustrates the significance to the Federal Republic of the much shorter-range Fencer in the western part of the Soviet Union (Fencers are also deployed in Poland and Czechoslovakia). Should there be a zone free of an effective military nuclear threat stretching as far as the Rhine? If not, what price is the West contemplating as a concession for its inclusion within arms control boundaries? This same question must be asked with reference to the Soviet "short-range missiles" in Eastern Europe. The SS-21 and SS-24 systems are growing into the ranges of the old Pershing missile (up to 750 km). Western Europe -- and particularly the Federal Republic, as a deployment area for Allied forces in Central Europe -- along with its 108 Pershing II systems and 96 cruise missiles called for in the NATO program beginning in 1983, will come within the operational range of these weapons by 1985 and be threatened by targetable nuclear weapons that do not belong to the "intermediate range."

The definition of this range according to the effective range of missiles carrying targetable weapons, and according to the operational depth of penetration of nuclear-capable fighter aircraft, poses considerable difficulty. Although under the terms of SALT II it can be limited to

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between 1,000 and 5,500 km -- the lower limit for land-based intercontinental missiles and intercontinental bombers -- the lower limit of 1,000 km is questionable. The language of NATO communiques has come up with no solution to the problem to date. Even the term "long-range" [in English] is a gray-zone symbol. A translation as "long-range" weapons would be misleading in relation to the "intermediate-range" systems. These, in turn, are so called in relation to intercontinental weapons. The NATO plan for LRTNF modernization calls for ranges of 1,800 km for Pershing II systems and 2,500 km for GLCM systems. The range of the Soviet SS-20 is between 4,000 and 5,000 km. The first Polaris missiles, which were also planned for ground launching from silos in Europe as "intermediate-range weapons," were capable of flying between 2,000 and 2,500 km. The modern Polaris-A-3 and Poseidon SLBM's, based in British missile submarines or in U.S. missile submarines assigned to Europe for SACEUR duty, have ranges of between 4,000 and 5,000 km. The maximum combat penetration range of Backfire bombers without aerial refueling is probably 3,500 km, but they can also be equipped for such refueling. The range of the 78 Soviet SLBM's which are stationed on diesel vessels, and which are not covered by SALT (SS-N-4's and SS-N-5's), is between 600 and 1,200 km; this is with warheads that each carry between 1 and 2 megatons of explosive power. The Soviet SS-12 ground-to-ground missiles, deployed since 1969, have a range of about 800 km, and the Soviet SS-N-3 cruise missiles designed for launching from ships and land (about 400 have been deployed) have a 750-km range (and therefore should actually fall under the SALT II ban by the end of 1981 if the Vienna treaty goes into effect).[10] The Fencer's depth of penetration -- up to 1,000 km -- is at the generally accepted lower level for "intermediate-range weapons." NATO, for example, does not count as "intermediate-range weapons" either the SS-N-3, the SS-N-4, the PershingI or the F-4 Phantom tactical fighter, which has a combat penetration range of less than 1,000 km for nuclear missions.

Since NATO itself has established no binding criteria for determining "long-range theater nuclear force" weapons systems, and official U.S. terminology draws no clear distinctions between "long range," "medium range" and "intermediate range," the classification of weapons with such extreme range disparities as 1,000 km and more than 3,000 km remains arbitrary. This conceptual gap is the objective reason why no agreement has been reached in the calculation of force ratios and operational relations in this arms sphere. It favors the Soviet view of the situation, which rests on the thesis that a military "balance of forces" exists in Europe between NATO and the Warsaw Pact, and that consequently NATO's nuclear modernization program would disrupt this balance and "fundamentally change the strategic situation on the continent" (Brezhnev on 6 October in East Berlin).[11]

Real Numerical Ratio and Operational Options

In reality, at ranges above 900 km and up to 1,000 km there is no ascertainable "balance of forces" in Europe in terms of numbers or operational

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options (quite aside from the fact that 70 percent of the weapons in NATO's "theater nuclear weapons" -- TNF systems -- arsenal have ranges of less than 170 km). In mid-1979, NATO arrived at an official (although internal) numerical ratio between the roughly comparable "LRTNF" systems: approximately 590 NATO LRTNF delivery systems with about 1,260 warheads compared to 1,400 for the Soviet Union, with about 2,440 warheads. And this balance sheet definitely presented an optimistic picture slanted toward the Western side, since it contained the 40 U.S. Poseidon SLBM's with their 400 warheads, the 64 Polaris-A-3 SLBM's with 192 warheads on British submarines and the 80 SLBM's with an equal number of warheads on French submarines -- in other words, 184 missiles carrying 672 warheads, weapons which NATO classifies as "strategic" weapons systems and whose opposite numbers in the East were not included in the accounting, even though they are also capable of striking targets in Western Europe. Also omitted from the count was that portion of the 638 variable-range Soviet SS-11 ICBM's still deployed as of the middle of 1979; these missiles might be aimed at targets in Western Europe.

After subtraction of the SLBM's on submarines, about 400 delivery systems remain on the Western side of the balance sheet (including the approximately 35 Mirage IV bombers and 18 ground-to-ground IRBM's belonging to the French, as well as the 50 obsolete British Vulcan bombers). Only about 150 U.S. F-111 A/E medium-range fighters in Great Britain can be considered genuine LRTNF systems for "continental" distances on a European scale. From operational standpoints, there are serious reservations about the remaining 250 delivery systems (combat range, ability to penetrate air defenses, load capacity, operational speed and so forth). By 1985, the 50 Vulcans and approximately 35 remaining Mirage IV's will have been relieved of their responsibility for nuclear strikes against Soviet territory. The other 160 to 170 LRTNF delivery systems are composed of tactical nuclear fighters based on land and on U.S. aircraft carriers in the eastern Mediterranean. To be sure, this figure only represents an order of magnitude that is easily changed, for at least the carrier aircraft of the U.S. 6th Fleet are not on constant alert status with regard to the Soviet Union, and not all of them are available at all times for nuclear attack assignments. Moreover, the penetration range of F-4 Phantom fighter-bombers (on a weapons-carrying mission against air defenses) vis-a-vis the Soviet Union is marginal in flights launched from West European bases.

Excluding the Western SLBM's, the Soviet Union's LRTNF superiority over NATO in Europe amounts to 1,400 to about 400 -- or a ratio of 3.5 to 1. An essential factor, however, is the difference in the attack capacities involved. The Soviet potential has been upgraded substantially by the SS-20 and Tu-22 M (Backfire). The increase in ranges, strike capability, bomb load and target precision and the mobility of SS-20 launch systems and the multiple attack technology are creating new options. A generally more mobile and operationally more flexible potential is being developed. This opens up the prospect of a fundamental change in the strategic situation on the continent in favor of the Soviet Union. Even more than the

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numerical disparity in the LRTNF ratio of forces -- a disparity that has indeed existed for about 15 years -- it is this dynamic change in the proportion between operational options to the advantage of the East -- and thus of the conditions of military security and effective deterrence in a crisis -- which has induced the NATO partners to act after long hesitation.

Uncertain Negotiation Prospects

The NATO negotiating offer did not represent a direct response to Brezhnev's East Berlin speech. The invitation to negotiate on intermediate-range weapons contained in this speech was adjudged to be more of an attempt to ward off the impending NATO resolution on adopting such systems. Nevertheless, those in the circle of Western alliance members who backed the offer to negotiate were encouraged by Brezhnev's remark that under certain circumstances the Soviet Union would be willing to limit its intermediate-range potential in Europe. The NATO partners had first expected enticing offers from the Warsaw Pact and then stronger pressure, but ultimately they had looked for a resigned attitude in Eastern Europe. The NATO partners did not take seriously the ominous warnings -- for instance, from Andrey Gromyko during his visit in Bonn and later at the conference of Warsaw Pact foreign ministers in East Berlin[12] -- to the effect that NATO's planned resolution on modernizing its defenses would "destroy the bases for the proffered negotiations." Though they were not convinced of the Soviet Union's future willingness to negotiate, they were quite certain of Soviet interest in continuing the process of East-West detente in Europe and in the expansion of CSCE agreements on security. A Soviet interest in SALT was also assumed, and this would make negotiations along the lines of the NATO offer unavoidable.

The effect of the Brussels resolutions in December 1979 on the negotiating situation concerning mutual troop reductions in Central Europe (MBFR) is also pertinent in this regard. The announced withdrawal of 1,000 nuclear warheads from U.S. depots (about 4,000 of the approximately 7,000 warheads in Europe as a whole are located in depots in Central Europe) and the resolved "modernization" of the Pershing-A-I on the basis of the replacement of all 108 systems with Pershing II's in effect take care of the special offer made by the NATO partners for MBFR in Vienna in December 1975: On the one hand, the Soviet Union has announced a withdrawal from Germany (and Central Europe) of 1,000 battle tanks and 20,000 men by October 1980 without making it an object of MBFR negotiations in Vienna. On the other hand, the Western participants had been demanding since the end of 1975 the withdrawal of 1,700 Soviet battle tanks and 68,000 men, in five divisions, as a precondition for the withdrawal of 1,000 U.S. nuclear weapons and 90 delivery systems.

Out of these 90 systems -- 54 F-4 Phantom nuclear fighters and 36 "Pershing launch systems" (without technical specification) -- only the 54 F-4's have been at the disposal of the Vienna MBFR negotiations since December 1979. Thus, both sides have carried out the greater part of the 1975

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compromise proposal, and they have done it outside the MBFR framework. The formal separation of the NATO negotiating offer dating from December 1979 from the supplementary nuclear offer made in December 1975 changes nothing in this regard. If the Soviet Union is interested in a reduction and residual limitation of the number of U.S. LRTNF in Europe, it must either make substantial MBFR concessions in Vienna or negotiate on the December 1979 offer of intermediate-range arms limitations.

Furthermore, the deprecatory word from Moscow which was announced in Washington during the first week in January is being interpreted in Brussels more as a response to President Carter's adjournment of the SALT II ratification process in the U.S. Senate than as Moscow's final word. The Soviet invasion of Afghanistan had to disrupt all East-West relations at least for a time, just as these relations had been temporarily disrupted by the occupation of Czechoslovakia in August 1968. The NATO partners have logically been holding open their negotiating offer in line with their intentions. In the first quarter of 1980 it was still an open question as to whether their defense modernization program would ultimately be accelerated, delayed or not affected at all by the crises in the Middle East. In any event, Andrey Gromyko's speech on 18 February 1980 at an election rally in Kaliningrad Rayon, Moscow Oblast, revealed an interest on the part of the Soviet Union in continuing "all negotiations that have been initiated" in the area of arms limitation.[13] Although this statement did exclude once again the negotiations on intermediate-range systems proposed by NATO, hope remained that in the longer run the Soviet government might be willing to come to terms in this area as well. According to NATO's declared expectations from December 1979, 1980 was to be a big year for arms-control and security negotiations.[14]

Eastern commentaries since the brusque Soviet rejection of the U.S. negotiating offer in January 1980 permit the conclusion that a new diplomatic position for the future is being laid out in Moscow. The suggestion that failure to implement NATO's defense modernization would be sufficient incentive for negotiations on intermediate-range weapons offers the Soviet Union a way out of its self-constructed dilemma in this matter (up to that point Moscow had demanded cancellation of the NATO resolution as a precondition for any negotiation). Since the fall of 1979, the NATO partners have referred publicly in numerous government statements and diplomatic interpretations of their intentions to the technical time limit of at least 3 years before the start of initial deployment in the third quarter of 1983, as stated in the plans dating from December 1979. The more recent commentaries permit one to conclude that this period might be used just as the NATO offer for negotiations intended. The Soviet government can estimate the approximate political "point of no return" prior to the start of deployment: It lies between December 1981 (expiration of the 2-year time limit for the decision on stationing in the Netherlands and expiration of the LRCM /long-range cruise missile/ deployment ban under the terms of the Vienna SALT II agreement) and the fall of 1982 (deadline for preparation of the U.S. military budget for fiscal year 1984, which

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begins on 1 July 1983). The best time politically for the assumption of negotiations would be the spring of 1981 preceding the NATO conference, since the next administration in Washington and a new FRG government in Bonn would then be in office. By that time, the new NATO consultation group for SALT III would have produced a substantial position for an arms control negotiation on LRTNF.

FOOTNOTES

1. Cf Ruehl, "The NATO Resolution on the Adoption of New Intermediate-Range Weapons," EUROPA-ARCHIV, Vol 4, 1980, p 99 ff.

2. Cf the communique of foreign and defense ministers, 12 December 1979, EUROPA-ARCHIV, Vol 2, 1980, p D 35 ff.

3. Text: EUROPA-ARCHIV, Vol 21, 1979, p D 556 ff.

4. "... more recent expressions by Soviet President Brezhnev of willingness to do so." The French text of the communique sounds even more positive in its assessment: "... favorable indications given recently in this regard by Mr Brezhnev."

5. "... a more stable overall nuclear balance at lower levels of nuclear weapons." The omission of the first "nuclear" in the official German translation is open to criticism.

6. PRAVDA, 5 November 1979; among other German sources, NEUES DEUTSCHLAND, 6 November 1979.

7. Speech by Brezhnev in East Berlin, loc cit, p D 558.

8. See Art III of the Vienna Treaty, 18 July 1979; text: EUROPA-ARCHIV, Vol 15, 1979, p D 638 ff.

9. For example, President Carter on 9 October 1979; cf EUROPA-ARCHIV, Vol 21, 1979, p D 560.

10. Arts II and IV of the SALT II Protocol, EUROPA-ARCHIV, Vol 15, 1979, p D 389 ff.

11. Loc cit, p D 557.

12. Text of communique: EUROPA-ARCHIV, Vol 2, 1980, p D 49 ff.

13. NEUES DEUTSCHLAND, 19 February 1980, p 5.

14. Cf the communique of the North Atlantic Council, 14 December 1979, particularly Part II, EUROPA-ARCHIV, Vol 2, 1980, p D 38 ff.

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THEATER NUCLEAR FORCES FEDERAL REPUBLIC OF GERMANY

PROBLEM OF VERIFICATION FOR MBFR NEGOTIATIONS ANALYZED

Bonn EUROPA-ARCHIV in German 25 Mar 80 pp 189-200

[Article by Prof Dr Wolf Haefele, first chairman, Association for the Promotion of System Analysis in Arms Control (SADAC), 53 Bonn 12, Postfach 120532: "Verification Systems for a Balanced Reduction of Forces in Central Europe (MBFR)"; members and friends of SADAC made substantial contributions to this article.]

[Text] As part of the preparations for negotiations on a balanced reduction of forces in Central Europe--Mutual Balanced Force Reduction (MBFR)--it became clear that a sufficiently adequate control--verification--over compliance with future agreements regarding the reduction of troops and armaments as well as related measures in Central Europe--according to the official terms used in the communique issued at the end of the preparatory consultations for the MBFR in Vienna on 28 June 1973--would raise special problems.

The international armament treaties signed in the past contain a renunciation of the development, manufacture, procurement, stockpiling, and employment of individual types of weapons. Controls on the surveillance over compliance with the treaties involved only comparatively few components. Because most of these treaties are "nonarmament treaties," that is to say, because they do not yet involve renunciation of existing weapons, comparatively simple provisions were sufficient to make an adequate measure of confidence in the treaty-loyalty of the parties to the treaty credible.

In the case of MBFR agreements however we were soon to be dealing with very much more complicated processes, such as, for example, the reduction of military personnel, the return or disbanding of units, the reduction of specific weapons system, their stockpiling, return, or destruction. Adequately reliable verification of such agreements would have to review not only the implementation of the contract provisions but would also have to examine the agreed-upon new maximum troop strength and armanent figures covering the entire period of the validity of the treaties in such a reliable manner that security-policy threatening violations of these ceilings would not go undiscovered.

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On the one hand, there was a concept, to the effect that reliable surveillance of MBFR agreements would be possible only through constant physical controls which would have to cover the entire MBFR reduction area. That would necessitate a large number of mobile inspection teams which would have to be stationed permanently on the territories of the countries involved. On the other hand, there were justified objections as to whether such an effort would be justified and whether such methods, deeply interfering in the sovereignty of the countries involved, might not generate more distrust than confidence, more uncertainty than certainty.

In this situation it was recalled that similar questions had come up in connection with the problem of surveillance of the Nuclear Nonproliferation Treaty and the question came up as to whether an attempt should be made to learn from the experience gained there. Such an attempt, as far as we know, has not been made by any of the NATO partners. Duplication of effort was thus avoided; on the other hand, discoveries or results could not be used. A special study group in NATO in recent years took up the question as to what reports would be required for adequately reliable MBFR verification and what possibilities there might be within the framework of treaty agreements on the procurement and forwarding of such militarily sensitive information. It was possible to obtain certain facts as to the technical possibilities for obtaining information and possible forms of cooperation among the treaty partners regarding the exchange of information from the bilateral verification agreements of the Big Two on the SALT-I treaties. But these bilateral agreements by the big powers could not be used as models for a MBFR verification system. Separate efforts had to be made especially also because, in the West, the FRG would be directly affected by controls on its entire territory and because it was therefore bound to be interested in a sufficiently reliable but politically also acceptable MBFR verification system. The following considerations should be viewed from such, rather fundamental and, in this sense, also long-term prospects. On the other hand, we have the particular shorter-term political timeliness of this topic. In view of the range of problems under discussion, we should however not contemplate one without considering the other.

Meaning of MBFR Verification System

Disarmament problems have a long history going as far back into the decades after World War II. It is not our intention here to go into that history. Nor do we want to take up disarmament problems in the more precise sense of the word; instead we want to address ourselves to the more comprehensive and politically also much more relevant area of arms controls for which the English language has the term "arms control." It is known that the term "control" in English, if anything, should be translated in German with the words "to have in hand" rather than with the single word "control"[1]--at least in the context we are dealing with here. This is why Count von Baudissin selected the translation "cooperative arms control"[2].

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The question of arms control as an element in the relations between the superpowers has its own dimensions which may well also be of significance to the Central European area. Beyond that however we have, in this area, the problems of arms control through the controlled withdrawal of garrison troops and the reduction of indigenous units which may very well be intertwined with questions of arms control by the superpowers but which nevertheless have to be taken up separately. Above all this applies to those directly involved, primarily Germany, in its momentary division into two parts. Independent analysis and consideration therefore are in Germany's elementary and direct interests.

Troops are maintained in peacetime to provide security. Considering the presently existing complex situation, one can therefore very easily miss the point in taking up this rather simple observation. But, in addition to the intellectual approach, there are other ways of figuring these things out and here, it seems, the observation we have just made does apply. A troop reduction, within the meaning of this observation, involes a reduction of security which is balanced out only if the other side likewise reduces its troops. Of course, such a reduction must be verified[3]. Pursuing this straight-line argument, a verification system, in connection with the withdrawal of garrison troops, would have the task:

Of proving that the troops of the other side are really departing beyond the boundary of the reduction area;

Proving that the troops of the other side remain actually withdrawn from the reduction area; and by way of supplement,

Proving that the troops of the other side do not again come back across the border of the reducing area.

Although this kind of abstract listing may seem rather redundant, in operational terms this nevertheless does certainly involve different aspects of the verification problem. At any rate however it must be noted that successful verification takes the place of security provided by our own troops. The need for security however has inherently total features which are then transferred to the system for the erection of successful verification. Such inherently total features contain an open end when it comes to the security issue and accordingly also on the question of successful verification which consists in the fact that more and more troop reduction, or more and more verification, are being demanded so that one can be more and more completely sure. In this connection it is useful to keep in mind the question which was asked by Chauncey Starr in an entirely different field of knowledge and which has become famous in the meantime: "How safe is safe enough?"[4]

The point of departure in the considerations just entertained was the concept pair of war and peace. Ever since we have had atomic weapons, there has been no alternate relationship between war and peace. If an

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atomic war has been started, the meaning of the issue as to why a war is being fought is already over and done with. Much has been said about all this and much remains to be said but the purpose here is not to pursue all that. It might thus perhaps be sufficient if we simply observe that the meaning behind maintaining troops today resides not in the possibility of fighting a war but in mutual deterrence away from fighting a war. Then for the first time we run into the reciprocal question as to what verification can do in terms of substituting troops. Does this also apply directly when verification becomes a part of the purpose of deterrence?

There is more to be said here. The elimination of the traditional alternative between war and peace goes considerably further. Today we have an increasingly developing kind of mental grey zone whose existence is being accepted only very reluctantly by the Western camp. Then we have the entire scale of smaller needlepoint work roughly in the boundary region. Those needle stabs remain small enough, in order not to set the enemy camp's decision-making mechanism in motion--but they do sting nevertheless. More significant perhaps is the conduct of limited wars by surrogate parties and in surrogate places, although the causes are often of a local nature. Cambodia and, more significantly for us, Africa are direct examples here. This kind of multidimensional surrogate relationship primarily leads to confusion in the Western camp. Do we have detente or do we not? Are these events part of the category of war or not? Did deterrence work or did it not?

In this kind of confusion and lack of clarity, there is a growing feeling of uncertainty and even fear because it becomes quite clear as to what kind of event pattern one must design security considerations and security measures for. War and peace then always prove to be categories which simply cannot be used any longer. With a view to this situation and the existence of this mental grey zone,one must then also urgently ask wherein resides the sense behind verification measures for a troop reduction in Central Europe because one hesitates to say simply in that case that the security function of troops is replaced by the security function deriving from a verification system.

This is the situation in which the MBFR problem complex is being tackled. One must clearly realize that we are dealing here with a problem complex that falls within the area of international law, in other words, a legal problem complex. Considering the polyvalent kind of reality, such as it perhaps becomes clear in referring to what we mean by mental grey zone, one cannot at all expect a legal treaty combination to cover the many valences of the kind of reality we are facing today; instead, such a treaty volume can cover only certain modes of this reality. It is thus certainly not sufficient if one relies exclusively on legal treaties: They always require a context within which they must be understood. In case of desirable MBFR treaty, that can be only the situation in Central Europe--to be understood in political-dynamic terms--within the context of the way it fits into the global-strategic East-West situation.

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Furthermore one should keep in mind that verification measures need not nesessarily be a component of such an MBFR treaty; one should keep in mind that, in the past, negotiations often failed because of the verification requirement. Let us mention only one example here: The nuclear non-proliferation treaty, negotiated in the middle of the Sixties, in its form originally submitted by the Soviet Union, did not provide any measure for surveillance concerning the peaceful uses of nuclear energy. Whether that was correct or not is an entirely different question.

But there is even more to be kept in mind. By virtue of their nature, measures provided for verification in a legal treaty will always have to be limited in nature. This becomes completely clear if we reflect upon the reciprocal applicability of such measures. It cannot be in Germany's interest to grant the opposing side unlimited measures on its own territory. But if the measures are limited, then the effect achieved with them can also only be limited. Although this situation may look simple, it is very much in contrast to the tendency indicated above, that is, the tendency to contemplate security issues in an open-ended manner.

The considerations presented here so far are intended to lead to a thesis. And that thesis reads as follows:

The verification measures, to be provided in a future MBFR treaty, are to have the purpose of granting security only for a part of the way. The measures to be provided in such a MBFR treaty should be so designed that, in addition to their function aimed at security, they will help make the continuing dynamics of political evolution in Europe clearer and that means reducing the mental grey zone as much as possible.

This thesis is supposed to answer the question broached earlier as to how far the meaning of verification regarding troop withdrawals in Central Europe is today still to be found in the idea that the security function of troops is replaced by the security function of a verification system.

Purpose and Generally Required Characteristics of MBFR Verification System

From the angle of the thesis alone, we can now outline the conclusions. If the verification measures to be provided in a future MBFR have the task--only part of the way--to grant security, then other additional measures must be taken in order to assure the highest possible measure of security. Then of course these additional measures will be outside the MBFR treaty. They may consist in using so-called unilateral means for this purpose. Satellite reconnaissance is obvious and this takes us directly into the broader NATO framework. In the narrower Central European framework however it might very well also be conceivable to increase the performance of the "side-looking radar" in a specifically target-oriented fashion. Here we might mention higher altitudes for the aircraft carrying the radar and higher transmission capacities. From the specifically Central European perspective of a troop withdrawal, other, higher priorities might

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arise regarding the development of such a more efficient radar system, that is to say, other than is the case today. But one must likewise think in terms of the increased utilization of other military reconnaissance activities.

In this kind of overall approach we then naturally come to the question as to how the measures, to be provided legally, within a MBFR treaty, are to be worked out. What are the viewpoints that are to be valid if the political evolution in Europe is to be made clear also with their help? It may then be a good idea to formulate the purpose of MBFR verification measures as follows:

The verification measures to be provided in an MBFR treaty should, in a remonstrable fashion, confirm quantitative compliance with a jointly agreed-upon upper ceiling for troop reductions in the reduction area by making it possible to detect any major compliance failure within a limited span of time and with a predetermined degree of probability.

The implications of this formulation can be best developed if we take a closer look at some of its elements.

"In a remonstrable fashion." Earlier we said that the continuing dynamics of political evolution in Europe must be made clearer. This goal can be approached among other things by creating a continuing dialog within a formalized framework. The results of MBFR verification measures must for this purpose be capable of being designated in a formal fashion and the rules of the treaty must be so set up that these results lead to formally remonstrable measures. The emphasis here is on the continued dialog. Here we might recall the many voices who already saw considerable gains in the mere negotiating of the SALT Treaty. People get together and they learn to draw conclusions from the particular reactions of the partner.

"Quantitatively." In order to get results of MBFR verification measures which can be designated in a formal fashion, one must first of all supply statistics and not qualitative impressions. In other words, it is a good idea to fall back to counting procedures. With a view to the previously discussed limited purpose of verification measures it is however not necessary to count everything that can be counted.

"Within a limited span of time." In the verification measures which now emerge in this line of argument it is decisive to have a clear understanding as to the time span for which the verification statements are to be significant. If measures within the framework of a MBFR treaty from the very beginning are assigned only a limited function, then one is not forced to use that in covering necessities for short-term alarms. The additional measures, which would have to be provided outside of such a treaty, are probably much more suitable for that. On the other hand, MBFR verification measures lose their meaning if counting measures permit

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a conclusion only after a very long, politically no longer useful span of time.

"With a predetermined measure." If counting measures are carried out concretely, they also contain errors. The greater the effort made during counting, the smaller can we make the anticipated error. In determining the effort, to be advocated in terms of negotiations, the advanced determination of an acceptable error thus plays a big role.

"Major." The quantitative designation of that which is to be observed goes hand in hand with the prior measure. Obviously, it makes no sense to negotiate as to whether an individual company has or has not been withdrawn; on the other hand, changes opening up new strategic options are essential.

The explicit formulation of the purpose of verification measures entails something else. The input information, on whose basis conclusions are drawn, must be open information so that it can be shown to the opposing side in a binding manner. From that angle it is obvious to think in terms of mixed teams for inspection. This means that every observation must then be made jointly. The introduction of observation and counting instruments would serve the same purpose and explicit agreement must have been worked out between both sides regarding the technical characteristics of such instruments so that measurements using such instruments must be recognized on both sides. These considerations boil down to the idea that the measures to be provided in an MBFR treaty:

Should be extensively formalized, that is to say, any examination measure should be spelled out in detail according to type and scope;

Extensively rational, that is to say, every examination measure should be capable of being justified objectively also on the basis of the task or purpose;

Extensively objectivizable, that is to say, every examination measure should be carried out in every place and every time in the same manner and it should be capable of being checked out at any time.

In an entirely different context--that is to say, in the development of surveillance measures regarding the (partial) compliance with the Nuclear Nonproliferation Treaty--it turned out that every surveillance system, in terms of its particular form, can be traced to three fundamental elements, that is to say, accountability, surveillance, and containment[5].

Accountability--that is to say, the accounting of required and actual values which can be designated in a numerical fashion--most easily leads to a formalization and objectivization which is why it is clearly emphasized in the control system of the IAEO[6].

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Design of MBFR Verification System

What could our past considerations mean concretely and operationally as far as the design of MBFR verification system is concerned?

In other words, when it comes down to quantitative compliance with a jointly agreed-upon upper ceiling, one must ask how a ceiling should be designed quantitatively and how it should be recorded through verification. One will try to find indicators which may supply sufficient information as to fighting strength. It has turned out that numbers of soldiers and battle tanks as such can be considered as indicators. This means that, for example, artillery, transportation equipment, or logistic facilities must not be counted separately. Instead, the fact that we count soldiers and battle tanks alone means that all other equipment pertaining to these indicators is assumed to exist in proportion. One must keep in mind that, in this kind of procedure, qualitative magnitudes, such as the training level or the modern nature of equipment, are not considered. This, as we know, is a quite general problem of arms control. If the meaning of verification measures were to reside only in the substitution of military security, then quality characteristics should not be disregarded. In the above-mentioned type of definition of a verification system, this however carries less weight. In any case, quantitative magnitudes will be of central significance and to that extent their verification continues to make sense. It is furthermore to be noted that the magnitudes contemplated here for army units should be reasonable and should therefore relate to them; special considerations would have to be entered into for the navy and the air force.

The basic idea behind the verification system to be introduced now, in the sense of the above statements, consists in the definition of limited areas in which the numbers of soldiers and battle tanks are accounted for. Specifically, this means, first of all, individually determining the accounting areas and their precise boundaries. Here we must start with the idea that such accounting areas by no means will be identical with the broader reduction area. Their boundaries in any case would be one of the subjects for MBFR negotiations.

Inventories and transfer measurements must then be carried out in the accounting areas or along their boundaries. The actual troop strength figures and the numbers of battle tanks at military posts, depots, and exercise areas in the accounting areas are then determined with the help of inventories. Inventories are drawn up first at the start of the treaty and are then repeated periodically. They represent a considerable expenditure for the controlling party and they also are a burden on the controlled party. Therefore, the desire for a limitation of the scope and frequency of such inventories resides in the nature of the matter itself. In order to get continuing information on the situation in the accounting areas just the same, we need a constant measurement of transfer beyond the

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borders of the accounting areas. In the case of units whose home stations are in the accounting area, transfers accordingly signify the induction and discharge of soldiers or the production and scrapping of battle tanks. Here, only observers on the spot can measure and confirm such transfers.

The scope of measurements thus required could be reduced with the help of inventory and transfer assurances. In that case it would also be possible to determine in the treaty that the counting connected with the inventory needs to take place only at certain locations determined in advance. In all other parts of the reducing area it will then be necessary to determine only that there are no undeclared inventories present. In the same manner, the limitation of transfers to predetermined border crossing points requires a transfer assurance along the remaining boundary, once again only in such a manner that undeclared arrivals and departures can be ruled out.

It is probably quite obvious that a verification system, based on the measurement of quantifiable magnitudes and the processing of data obtained, can be rational, objectivizable, and formalized by virtue of its nature. Beyond that, we have the concept of reporting systems which, in case of suitable formalization, could meaningfully supplement the verification system. A reporting system again would deal with inventories and transfers of soldiers and battle tanks. The reports would have to be sent from the controlled party to the controlling party who would have to account for them along with the observations and measurements of his own inspectors. A reporting system should be multilayered, complex, and redundant so that an examination as to the internal consistency of the reports issues can lead to meaningful determinations. The basic idea here is that the internal consistency of reports and external consistencies with the observations can be achieved most easily when the reports are truthful. This is not logically compelling. But one must on the other hand keep in mind that all statements, which come about with the help of a verification system involving a finite effort, will be reliable only for a certain stretch along the way. Independent of this restriction is the consideration that reporting systems also enable us to reduce the physical effort connected with control measures by the controlling party and connected with the materialization of controllability by the controlled party under certain circumstances.

In the logical boundary case, this would lead to unilateral assurances regarding measures taken, that is to say, it is necessary to be cautious if verification measures are then still supposed to be useful and credible.

Capacity of MBFR Verification System

The comparison of inventories and transfer measurements serve for a comparison of actual and required figures for troop strength and numbers of battle tanks and thus for the timely discovery of any excess in the

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ceiling. The capacity of a surveillance system based on this principle--which is restricted by the unavoidable counting errors and the wrong estimates caused by random sampling--can essentially be characterized by the control effort, the reference violation, the discovery probability, the false-alarm rate, and the discovery time[7]--which is why these magnitudes and their reciprocal dependence are now to be explained in greater detail.

By the control effort we mean the effort made both by the controlling party and the controlled party; first of all we start with the idea that it will be proportional to the number of inspector-manhours. Basically, the necessary control effort could be determined from a cost-benefit analysis; this would be better than if it were to be politically determined because otherwise, this kind of advance requirement, might be accompanied by expectations which cannot be fulfilled and which thus might run counter to the purpose of the verification measures. But because the parameters necessary for such an analysis can be estimated quantitatively, the control effort in the final analysis will after all have to be a subject of the MBFR negotiations.

The probability of the discovery of the ceiling being exceeded by a certain amount, which we call the reference violation, is a quantitative measure of the capacity of the verification system under discussion. One must keep in mind that compliance with a jointly agreed-upon upper ceiling can never be determined with full reliability in case of a finite verification effort. Instead, it is necessary to agree as to what should be considered a major noncompliance with an agreed-upon upper ceiling and with what probability such a noncompliance is to be discovered, whereby it is necessary to decide whether this can be done with a justifiable control effort.

In surveillance systems with statistical elements, one cannot basically rule out the possibility of a false alarm. The same applies to the false alarm rate as applied earlier to the control effort: Although it would be desirable to determine its numerical value by means of a cost-benefit analysis, we will, for reasons of practicability, give a certain figure in advance and we will then decide whether we can achieve a satisfactory system capacity in this fashion, in comparison to the disadvantages resulting from every false alarm.

The previously mentioned comparison between the required and actual figures of military personnel and battle tanks in an accounting area essentially serves the goal of achieving a (relatively) short discovery time. Even if--something which cannot readily be seen--the discovery time in the overall effort decided on here does not nessarily drop as the inventory frequency increases, one can nevertheless observe quite generally that the effort to be made will increase, the shorter the required discovery time is. Because, moreover, requirements for a high discovery probability and for a

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short discovery time cannot readily be met simultaneously but might even conflict with each other, one must at this point particularly think about the sense of the verification system under discussion. Previously we noted that other measures might be more suitable with a view to early warning time. The genuine political objective of a verification system instead points to the idea that one should consider longer rather than shorter discovery time.

A rigorous analysis--which reasonably accounts the magnitudes just discussed among each other likewise in connection with a suitable reporting system and which permits a judgment on the capacity of the overall system--can be accomplished only in the specific case and requires a large volume of input data. Such input data can partly be obtained through field experiments. The purposes of such field experiments, which in individual cases are already being conducted[8], would be the following, among others:

Testing the practical implementability of inventory and transfer measurements;

Determination of effort, time requirement, and attainable accuracy of these measurements;

Testing of implementability of backup observations for the discovery of violations;

Procurement of basic data for assimilation calculations which can then replace further field experiments and which would be used in designing the presently contemplated verification system;

Development and testing of possibilities for formalizing all measurement and surveillance processes under discussion; and finally

Development and testing of suitable instruments and equipment.

Conclusions

One will always have to keep in mind that a verification system of the kind described in this essay will from the very beginning reveal gaps and possibilities for circumvention. The resultant question however must not be aimed at the existence of those gaps and circumvention possibilities; instead--within the previously discussed comprehensive sense of such a verification system--it must provide clarification as to whether they are quantitatively acceptable. One must furthermore keep in mind that all measures desired by one side naturally also are measures which the other side wants to have implemented. Here we come to an inherent contradiction: On the one hand, we have the urge for more effective controls over the opposing side which springs from distrust; on the other hand, we have

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reluctance regarding the controls acceptable for our own side. In this kind of contradiction it is helpful to become specific and quantitative when concrete measures are under discussion. One would have to contemplate the proposal made here also from this angle.

Earlier we expressed a thesis. It related to the circumstance that verification measures, in addition to security, are also supposed to provide clarity as to the continuing dynamics of political evolution in Europe. That is something we have to discuss with each other. The formalization of verification measures produced a situation where one creates a formalized framework for a continuing dialog. This is why a joint commission should be provided for within a verification system. That commission would have to meet at fixed intervals; it would have to take cognizance of the conclusions deriving from the verification measures taken by both sides and it would then have to come up with a formal clearance or, in case of real or seeming irregularities, it would have to try to discover the causes. Then the actions and reactions of the particular other side would offer additional points of departure for the analysis of the situation.

FOOTNOTES

1. See SIPRI, Strategic Disarmament Verification and National Security, London 1977, p 11.

2. Count Wolf von Baudissin, "Limitations and Possibilities of Military Alliance Systems," EUROPA-ARCHIV, 1, 1970, pp 1 ff., especially p 5 (note).

3. See U.S. Arms Control and Disarmament Agency, Verification: the Critical Element of Arms Control, Washington, D. C. 20451, 1976. There, this concept is defined as follows in the context we are interested in here: "To verify is to ascertain the truth or reality of something. Verification is the attempt to check the truth of a statement against the facts of the case--to look beyond words to deeds. As a technical term in the vocabulary of arms control, verification refers to the process of assessing compliance with the provisions contained in arms control treaties and agreements. It is the attempt to ascertain whether states are living up to their international obligations."

4. Chauncey Starr, Social Benefits versus Technological Risks in: SCIENCE MAGAZINE, Vol. 165, 19.9.1969, p 123.

5. W. Haefele, Systems Analysis in Safeguards of Nuclear Material, in: Proceedings of the Fourth International Conference on the Peaceful Uses of Atomic Energy, Geneva, September 6-16, 1979, Vol. 9, pp 303-322, United Nations, New York 1971.

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6. The functions of the nuclear materials surveillance system were clearly outlined by the model agreement worked out in 1971: The idea is at the proper time to discover the theft of significant quantitites of fissile material from the nuclear-engineering plants of the peaceful nuclear fuel cycle. The basic principle behind the surveillance measures involves material accounting: At the end of an inventory period, the book inventory, that is to say, the real inventory at the start of the inventory period, plus the sum of all receipts, minus the sum of all departures, during the inventory period, are compared with the real inventory. Although, on account of unavoidable measurement errors, the book inventory and the real inventory will never quite agree, one can, if we know the measurement instruments, use mathematical-statistical methods in order after all to arrive at a conclusion as to whether or not material was stolen. The surveillance procedure is so organized that the operator of a nuclear facility collects all data necessary for the preparation of a material accounting report, that the inspectors of the IAEO examine these data through random samples with the help of their own measurements, and that--if there are no significant differences between their own data and those supplied by the operator--they prepare the material accounting report with the help of the operator's data. See International Atomic Energy Agency, The Structure and Contents of Agreements between the Agency and States Required in Connection with the Treaty on the Non-Proliferation of Nuclear Weapons, INF/CIRC/153, Vienna, 1971.

7. Rudolf, Avenhaus, Material Accountability--Theory, Verification, Applications, Monograph of the IIASA Wiley International Series on Applied Systems Analysis, J. Wiley Inc., Chichester 1978.

8. See, for example, Inspection and Observation of Retained Levels of Ground Forces and General Purpose Air Forces in a Specific Area, Summary report prepared by Field Operations Division, Weapons Evaluation Control Bureau, U.S. Arms Control and Disarmament Agency, Washington, D. C. 1970.

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THEATER NUCLEAR FORCES FRANCE

'PEACE, DISARMAMENT' CONFERENCE SEEN TOOL OF SOVIETS

Paris VALEURS ACTUELLES in French 5 May 80 pp 35-36

[Article by Andre Lesueur: "Communists--The Paris Appeal"]

[Text] Soviet diplomacy has found a platform in Paris--to mobilize all its teams in order to pursue "detente."

Obvious proof. The conference "for peace and disarmament" that met in Paris at the beginning of the week confirmed it: the policy of the French Communist Party can now be evaluated only in funtion of the interests of the international communist movement--therefore, of Moscow's strategy.

Certain observers, referring solely to the French aspects of this meeting, concluded that it had failed. Questioned on this point the other week, Francois Mitterrand remarked: "It seems to me that meeting can only be a failure, in view of the fact that those who will take part in it are not exactly the ones who would have made it a success."

The absence from the Paris summit--called on the initiative of the PCF and its Polish counterpart--of all the Communist Parties that in one way or another have regained their liberty vis-a-vis Moscow (the Italian, Spanish, British, Swedish, Romanian, Yugoslav CP's) constituted, by contrast, a confirmation of the PCF's unconditionality vis-a-vis Moscow and its isolation in Western Europe.

In the face of the "Euro-left"--a vast dialog started several months ago by most of the European communist and socialist parties--Marchais was able to find, to support his initiative, only one important West European party, the Portuguese CP, whose neo-Stalinist orientations are well known.

From the point of view of the interests of the PCF in French and European domestic politics, the benefit of this conference is therefore nil.

Why did Marchais take the risk of being one of its organizing powers? The other week, Jean Ellinstein, dissident communist historian, furnished an element of an answer: "Because the Soviets asked him to. This is one of the consequences of his trip to Moscow at the beginning of the year."

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The Paris meeting is therefore not to be analyzed in function of the interests of the PCF but rather in relation to the strategy of the USSR, its true initiator.

At the preceding conference of this type, in East Berlin in 1976, the Soviets had hoped to fill in the cracks that had appeared in the international communist movement. The failure was obvious: Marchais refused to go to Berlin, and from the conference platform Berlinguer, in the name of the Italian CP, refuted the thesis of a single leadership of the world communist movement.

In Paris, something quite different was involved. The recent conquests by the communist camp (in Latin America, Africa, Afghanistan), along with the Western disarray, have evidenced an inversion of the relationship of forces between the two blocs. The Soviets intend to preserve this gain by neutralizing the West's capacity of reply--mainly by stimulating a reflex of West European public opinion against the only effective weapon that the West could pit against the Afghan coup de main: challenging detente.

The same three words were used by all the speakers at the Paris conference: disarmament, peace, detente. No one talked about Afghanistan. But the coming installation of new Pershing missiles in Europe by NATO was denounced. Without any mention of the SS-20 missiles already installed by the Soviets in the people's democracies. In the Helsinki line, hope was expressed for the success of the Madrid conference, of which it is increasingly clear that it will have the mission of ratifying the Afghan situation. The necessity of ratifying the SALT 2 agreements and the importance of the Vienna negotiations on disarmament were stressed--both of these having the consequence of freezing the relationship of East-West forces to the advantage of the USSR.

In his speech during the conference, Boris Ponomarev, chief of the Soviet delegation, did not hide the fact that the object was indeed to pose an obstacle to any challenging of the policy of detente: "The communists," he declared, "have the duty to call on the working class, the peasantry and the intellectuals, the trade unions, the religious circles, the women's and youth organizations and others, to make every effort to thwart the attacks against the Helsinki final act, the sabotage of the whole of the peaceful cooperation among the socialist and capitalist states of Europe.

It is, he stated, a matter of "preventing destruction of the structure of exchanges established during the 1970's in the fields of science, culture, education and sport."

Ponomarev, an acting member of the politburo of the CPSU, has responsibility, in his capacity as secretary of the Central Committee, for contacts with the "brother parties" in the countries "outside the socialist camp."

He appears to be a sort of commanding general of the forces that the communist movement has at its disposal in the Western countries.

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As for his concept of detente, to which he declares such devotion, he set it out in June 1974 in an issue of the Soviet review PROBLEMS OF PEACE AND SOCIALISM. Here is what he declared:

"More than any other prior fact, the official acceptance of peaceful coexistence by the principal imperialist forces cuts through to the very bases of the aggressive political and military organizations alined against the socialist countries.... Lenin taught the communists that to thwart the reaction, we must first of all liberate the masses from the ideological influence of the reaction.... This means that international detente is not expressed by the peaceful coexistence of two opposed ideologies but rather by the possibility of developing and deepening our ideological struggle."

Preserving detente (conceived as one of the means of communist expansion) and opposing the rebalancing of East-West forces undertaken by NATO: these are the two axes of the big opinion campaign which Moscow launched a few months ago and of which the Paris conference is only one of the aspects.

The fact that it was held here is doubtlessly not due to chance: the hesitations of French diplomacy permit the Soviets to view France as the "soft flank" of the Western alliance.

The appeal adopted at the conclusion of this meeting underlines its object: it is a matter of mobilizing all the faithful CP's, but also all the "socialists, social democrats, Christians and believers of other confessions," in support of Soviet diplomacy. Marchais himself gave the opening address, announcing a forthcoming initiative with which the socialists and social democrats would be associated. Union of the left, obstinately rejected on the domestic level, is thus insistently urged when it is a matter of aiding the Soviet strategy.

Besides this "initiative," to which the Socialist International will doubtlessly hasten to respond, mobilization is going ahead on other fronts. The Movement for Peace, controlled by the communists, will organize a "world meeting" for peace and disarmament in Sofia in September. And a summit meeting of the "progressive movements of the Islamic countries" will be held in Tashkent on the same date, in an attempt to stabilize relations--singularly deteriorated--between the Moslem world and the communist movement.

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FUTURE OF NATION'S DETERRENT FORCE CONSIDERED

Paris AIR & COSMOS in French 16 Feb 80 p 40

[Text] Last week the president of the republic presided over an important working meeting in which the major options for modernizing the nuclear weapon systems constituting the national deterrent force were examined in the presence of the minister of defense, the general representative for munitions [delegue general a l'armement] and the army chief of staff.

To replace the Mirage IV strategic bombers--the first carriers of the French atomic bomb in 1964 and today still continuing their amazing career by carrying out very diversified missions, but most of which will be withdrawn from active service beginning in 1985--and also to supplement the Albion land-based strategic surface-to-surface ballistic missiles in the more distant future, two solutions are being considered: either cruise missiles advancing in low-level flight and having a range greater than that of American cruise-type missiles, whose reported range is 2,500 km, or mobile surface-to-surface missiles mounted on standardized vehicles and capable of being airlifted by cargo planes adaptable to unprepared or hastily arranged landing strips. These mobile missiles, compact and outfitted with M4 multiple warheads (the same as those which will equip "L'Inflexible," the sixth SNLE [missile-launching nuclear submarine] of the Strategic Naval Force), are faster than the cruise missile by the end of the distance covered.

French researchers are capable of developing either of the two missiles to be selected in June by Defense Council members, who have been asked to make such a decision.

A debate on the major options of national defense policy is to take place in parliament during the regular session in the spring of 1980.

The decisions concerning the future of the French dterrent force should be made before the end of 1980. They will be incorporated into the next military long-range appropriations bill, on which parliament will be requested to make a decision in 1982.

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IN-FLIGHT REFUELING INCREASES FAS CAPABILITIES

Paris AIR & COSMOS in French 16 Feb 80 p 41

[Article by Jean de Galard]

[Text] In-flight refueling is intended to increase the maximum autonomy of planes thus refueled as well as the maximum distance which they can cover.

Thus thanks to in-flight refueling, a strategic bomber's radius of action is increased substantially; tactical planes can be escorted to remote theaters without making any technical stopovers and following itineraries making it possible to avoid flying over certain countries when forbidden by the latter; air defense planes can be kept on alert during extended flight.

It was to illustrate this view of in-flight refueling, which C.135Fs of the Strategic Air Force [FAS] today practice often and routinely, that the Air Broadcasting of SIRPA [Armed Forces Public Relations and Information Service] held a large rally in Istres last week, during which journalists on board a Mystere-Falcon 20 of the Air Liaison and Training Group were able to witness, over the Mediterranean, series of refueling sequences of a Mirage IV and several Jaguar and Mirage F1 patrols by a C.135F air tanker.

During this event, Strategic Air Force commander Gen Jean Saulnier mentioned the needs of the Air Force for refueling planes. Until 1985, the year starting in which only about 15 Mirage IVs will be kept in operation, the number of C.135Fs (11) which the FAS has today will most likely be quite adequate. These C.135Fs, today equipped with Pratt and Whitney turbojets for which the Air Force has a large supply of spare parts, will probably be reequipped with GE/SNECMA CFM-56 turbojets in view of the operating potential which the C.135F airframes still have, but replacement of their engines is by no means urgent. In theory, in-flight refueling enables a fighter plar to stay in the air indefinitely. In practice, pilot fatigue and oil consumption limit flying time to 6 or 7 hours, corresponding to a covered distance of 5,000 to 6,000 km.

In all likelihood, COTAM's [Military Air Transport Command] refuelable Transalls will be refueled in flight by other Transalls because of the excessive differences in performance between a C.160 and a C.135F.

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Today, for obvious reasons of economy, a C.135F used for missions to train fighter pilots in in-flight refueling often refuels, during the same mission, the three types of planes mentioned in the beginning of this article.

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COUNTRY SECTION INTERNATIONAL AFFAIRS

SWISS ARREST FRENCH CUSTOMS AGENTS

Paris LA LETTRE DE L'EXPANSION in French 28 Apr 80 p 4

[Unattributed Article: "The French 'Held Hostage' by Switzerland Are Probably Victims of a Provocation"]

[Text] "The Swiss are behaving toward our two civil servants in much the same way that the Iranians are treating the American hostages." This is the kind of remark one hears in the entourage of the minister of the Budget since the imprisonment of two customs agents. It seems, in fact, according to information picked up at the Rue de Rivoli, that these officials, acting entirely within the framework of their assigned duties, had brought off a masterstroke four years ago, when they exposed a major money racket that had been going on between France and Switzerland. The Swiss authorities had not forgiven them for this, at least to the extent that, according to them, this discovery was only made possible through the cooperation of Swiss citizens working for them in various banks. To nab the two French customs men, the Swiss Police had them contacted by an "informer," who was presented as an information specialist exclusively on its payroll. The latter (the informer) met with the two customs officials on 15 April at the station restaurant in Basel and allegedly turned over to them documents describing financial transactions made by French citizens. Almost simultaneously the Swiss Police intervened with an arrest warrant dated 14 April, a difference in dates which, for the French Government, was proof enough of the plot woven by the Swiss authorities. What tends to reinforce the conviction of Paris is that, up to now, no Swiss citizen has been arrested or even challenged in this entire matter.

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COUNTRY SECTION FRANCE

GAULLIST PARALLELS IN GISCARDIAN DOCTRINE, REELECTION PROSPECTS

Paris PARADOXES in French 31 Mar 80 pp 18-21

[Article by Michele Cotta: "Giscard Successor to General de Gaulle?"

[Text] Giscard successor to General de Gaulle. All the political observers have been asking themselves since the beginning of his seven-year term just how Valergy Giscard d'Estaing would repay, some day or other, his Gaullist debt. Would Giscard try to shatter the RPR and isolate Chirac within the Gaullist movement? Or, on the other hand, would he patch things up with the mayor of Paris before 1981 to win the favor of the RPR? Once again, VGE has confounded the, as it turned out, rather simplistic speculations of the professional politicians: by making the great fundamental options of Gaullism his own the chief of state, one year before the presidential elections, is attacking the evil at the root.

Regarding the first principle of Gaullism, the role of the president in the constitution and in the course of events, VGE was converted early in his political career, around 1958. It would be pointless to add that his arrival at the Elysee in 1974 made the office of chief of state even more important in his eyes. It has now been six years since Valergy Giscard d'Estaing turned the knock-down argument about the role of the president in the continuity of the Fifth Republic back against the followers of Jacques Chirac. If he was neither the initiator not the prime beneficiary, there is nevertheless no doubt that the present chief of state has consistently been most prompt to adapt the General's constitutional clothes to his own profit

Two Key Points

More recent, by contrast, are his positions on two key points of Gaullist doctrine, foreign policy and participation.

The idea that mere considerations of internal politics explain Mr Giscard d'Estaing's embrace of Gaullist foreign policy is as far from us as it is, no doubt, from reality. The policy, in a nutshell, of determination to

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uphold French independence from the two blocs; of appearing as a beacon in the eyes of small countries desirous of remaining equidistant, insofar as possible, from the communist ogre and the American hydra; of attempting a positive dialog with the Third World and, within Europe, a high-priority dialog with West Germany.

VGE has been following this line, point by point, the machinery of coexistence between the United States and the Soviet Union broke down. Even if, for a short time after the entry of Soviet troops into Kabul, the French position may have seemed a bit fuzzy, it must be admitted that it has subsequently been better and better understood and that, today, it is the object of a more or less implicit consensus among the majority of Frenchmen. In any case, it has caught short those who are, traditionally, fundamentally allied with the United States and who belonged most often to the "presidential party," that is, to UDF. While it has more or less picked up the support of the "anti-Giscardians" in the majority, namely Jacques Chirac and his followers. Michel Debre himself said that, in words at least, Valery Giscard d'Estaing's positions had a Gaullist ring... "In reality," henchmen of the chief of state willingly explain, "there has not been the slightest change, on this subject, in VGE's policy. He has always thought that independence was a vitally important objective."

A Third Way

The president of the republic has never really hidden the fact, in the last few months, that he did not have unlimited confidence in President Carter's method of governing. That it seemed to him irresponsible and even impossible to consider that regardless of circumstances the position of the United States should dictate that of France: the visit to Indira Ghandi's India symbolized the president's intent: between uncomplaining infeudation to the USSR and alinement behind Washington, there is definitely a third way. Two ministers, closer to the chief of state, confirm this distrust of the United States, in their respective domains. Jean-Francois Deniau, minister for foreign trade, describes himself as profoundly shocked by the way in which, in economic and trade matters, the United States tries more often and more deliberately than anyone else to break French markets and to advance the pawns of American commercial imperialism. Jean Francois-Poncet, the minister of foreign affairs, is no more convinced than the French president that the decisions of the American president are well founded. Both believe the Soviets will be better contained by internal pressure from Afghans, and the hostil reaction of Muslim countries, than by any sort of economic reprisals. "Sanctions" all the less effective since even the United States itself is not implementing them...

There remains the other principle of Gaullism, that of participation. This is the one most recently brought out from the presidential histories. In the speech given by the president on 21 February in Paris, at the time

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of the deferment of prizes for the best workers, he described participation as one of the priorities of the decade of the Eighties. Valergy Giscard d'Estaing announced his immediate goal was for Parliament to pass a bill allowing companies to distribute, freely and directly, to their wage-earners, 3 percent of their capital. There too, whatever be the flavor of the polemics, truth obliges us to say that the current president as far back at 1968 announced that in his opinion what Frenchmen most lacked was "consideration" by those who supervise and pay them. And that, all along--the Blois program of 1978 makes it clear--VGE has favored wage-earners participating in the profits of enterprise. But never until now had he supported it with such force and clarity. The formula: "make Frenchmen the proprietors of France," may be already several months old, but the emphasis Giscard gave to it on 21 February is completely new.

A Pascalian Wager

Whether one speaks of [political] "recovery" of of convictions matters little, at bottom: it is true that this Gaullist orientation, at the end of this seven-year term, has considerable political value.

First of all, it goes without saying, because it comes in the months just preceding the presidential elections. Convinced that his "friends" in the UDF, regardless of their intimations, are little desirous of being plagiarized by him in this pre-presidential period, Valery Giscard d'Estaing is making a Pascalian wager in the political arena: he has nothing to lose (and, in any case, neither those who supported him in 1974 nor those who have come over to him like Jean Lecanuet) and everything to gain, on the side of Gaullist voters who do not find in Jacques Chirac the social aspirations of General de Gaulle.

--Finally, because this inflection of Giscardian policy cuts the ground from beneath the feet of the socialists. In foreign policy, the latter are hard pressed to oppose most of VGE's directions, and especially the maintenance of the opening to the East and of detente. Regarding participation, even if they challenge the effectiveness of the Giscardian pronouncements, the socialists cannot fail to realize that they sound pleasing to the ears of a party of wage-earners--the same who voted for de Gaulle, rather than Mitterrand in 1965.

--Finally, because these new directions, these new pronouncements are made public in a time of overall, long-range crisis in the Left.

The rupture between communists and socialists destroys, and for a long time, the credibility of the possibility of any true government of the Left. The division of the socialists between Marxists and reformists, in a word, throws overall socialist schemes, plans, programs and projects a veil of confusion. There is no agreement within the PSF on the economic policy to follow; there is not, really, therefore, any alternative to VGE's economic policy.

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Two Unknowns

All this goes to strengthen the hand of the president of the republic at this very point in the battle of 1981. We must not, however, rush too quickly to proclaim VGE's reelection inevitable--uncontested reelection (which could moreover turn out to be a reelection without victory...) Two unknowns could still turn the game around.

--First Unknown: how will the situation within the PSF, between Francois Mitterrand and Michel Rocard, turn out? The former believes he is the party's anointed one, the latter believes he has--and, for the moment, it is true--a larger measure of public support. What would be the attitude of the Gaullists toward Michel Rocard in event of a second ballot? The latter would benefit more than Francois Mitterrand from Gaullist cross-overs. If one can believe the polls, it seems that this is the case. What would communist voters do, and would they be more inclined to throw their support to Rocard than to Mitterrand? Unless the first secretary of the PSF, for whom communist voters have already voted, in 1965 or 1974, continues to benefit from what might be called the habits of voters accustomed to the union of the Left?...

--The Second Unknown: touches on France's economic position. Seeing that international pressue is loosening, the internal figures themselves are once again making their constraining influence felt: inflation higher than ever in January 80, 1.9 percent; foreign trade out of balance; unemployment up...Is France "sinking," as Jacques Chirac continues to maintain? Or, on the contrary, has it succeeded since 1976, as Raymond Barre claims, in avoiding recession?

So not all bets are placed yet. The campaign is already gaining steadily in interest.

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COUNTRY SECTION FRANCE

SOCIALIST'S PIERRE JOXE ON POSSIBLE PRESIDENTIAL CANDIDACY

Paris LE NOUVEL OBSERVATEUR in French 17-23 Mar 80 p 42

[Interview with Socialist Pierre Joxe on 17 March 1980 by correspondent Kathleen Evin--place not given: "Waiting for Francois Mitterrand's definitive decision, his friends want to launch the candidacy of Pierre Joxe, against Michel Rocard; Joxe voices his comments"]

[Text] [Question] During debates on the presidential election candidacy and whether or not to dissolve the Assembly immediately in case of history, isn't the Socialist Party getting immersed, entirely, in "political science fiction" as it has been remarked during [the term of] its last committee director?

[Answer] I understand that certain debates may give that impression. Let's take a look at what we have before us: the Socialist Party is divided; as the PCF is divided; as is the entire Left, notably on choices to be made concerning programs. The "Socialist Project" has been unanimously adopted, but, that hasn't prevented some--who voted for it--to discredit it as early as the next day and to question it again every time. But our party is equally divided, because in the face of an important election year [term], instead of including this election in a global and long-term political strategy, some comrades have decided to make the nomination of the candidate the main issue of the moment. Accordingly, a political clarification is required.

[Question] A clarification?

[Answer] Yes. The socialists shouldn't be obsessed with the question of "who will be the candidate?", because it is necessary to fully understand [that] 1) What is at stake in the nomination is not only the candidate; 2) What is at stake in the campaign is not only the electorate; 3) What is at stake in the election is not only the Elysee. I will explain:

What is at stake in the nomination is first a political platform; i.e., the choice of a long-term action, the pursuit of a program administered in a collective framework. Let's speak plainly: Mitterrand's political

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platform is known. It is our [platform]. The majority of the party has approved it. But [how about] the minority's platform. What is it? Now, what is at stake in the nomination is, therefore, the party's future. In choosing its candidate, the Socialist Party will choose itself, it will be inevitably marked by the topics, the style and the person who will represent it in the course of the campaign.

When I again say that what is at stake in the campaign is not only the electorate, I think about the very image of socialism in France. The presidency of the Republic must be taken by the Socialist Party "in passing"--as, in chess, a pawn is taken "en passant"--at the end of a campaign sustained by a program, the "socialist project," whose finality overlaps, greatly, the electoral calendar. On the nature of this program, outlined since [the times of] Epinay, by some among us, confirmed and modernized in Metz and Alfortville, there musn't be any hesitation, any compromise. And, above all, not by the socialist candidate who will be its standard bearer.

Because, finally, what is at stake in this election is not only the Elysee. It is, equally, the reestablishment of the balance of powers, and, in the long run, the preparation of a legislative victory for the dissolution of the Assembly and the proposition of an alliance for the entire left. A socialist who believes it possible to govern with a majority of the right, by making use of the exorbitant powers presently affiliated with the function of the presidency of the Republic and who will not advocate a new alliance, supporting nothing more than a meager agreement with the MRG [Left Radical Movement], the ecologists and the PSU, will be, in my opinion, hard pressed in trying to represent his party in this election.

[Question] You just made a kind of a composite drawing of the "bad candidate" in which we recognize, without difficulty, Michel Rocard. Do you believe, then, that the best PS candidate at this time is Francois Mitterrand?

[Answer] Francois Mitterrand is, and will be, the best candidate of our party if he wants [to be]. For now--and I regret it--the question does not arise. We can wish that the candidate will be Francois Mitterrand. We can hope for it, for the political reasons that I have already expounded above. But, we cannot decide for him.

[Question] Are you partisan to a "consensus" solution for the nomination of the candidate, or, rather, of an election following the "primaries"?

[Answer] The party decided upon its procedure for candidate nomination during its last congress: it's the militants as a whole who will vote. If there must be a consensus it cannot be but Francois Mitterrand. If, unfortunately, he decides not to run, and only then, there would be, in my opinion, a rather great number of candidates.

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[Question] In this case, could you be the candidate for Faction A?

[Answer] Some comrades talked to me about it. Some even seemed to have posed the question in front of journalists. The only thing that I can say today is that if, in spite of our will, Francois Mitterrand decides not to run, there will be, evidently, a candidate of the majority of the party. He will be nominated collectively.

[Question] Francois Mitterrand has often said [that] "united the Left wins; divided it loses." The electoral results of the past weeks seem to bear him out. How can you not predict a bad outcome for 1981?

[Answer] In 1981, the French people will find themselves before a simple choice: either another 7 years of the Giscard government; i.e., 7 years of diminishing buying power, social setbacks, curtailing of freedom, isolationism, or 7 years of progress toward socialism, regaining of liberty and social rights, democratization of the state and national redress. In all sectors: wages, living and working conditions, social services, taxation, etc, Giscard's government signified, to the majority of the French people, reverses and drawbacks. In the second round, voters must, then, choose between the pursuit of the most reactionary politics France has known for decades, and, the one which opposes it, proposed by the socialists. This simple language can, I believe, be understood by all--communist or not.

[Question] Do you think, then, that Michel Rocard is mistaken when he says that "all is not possible all at once" and that an alliance with the communists is not indispensable?

[Answer] It's only during periods of strong progressive politics--Popular Front, Liberation, May-68--that strong social and economic progress are realized. And, conversely, if profound economic and social changes are not immediately produced, we reject thorough political changes in advance.

In regards to the calling for a "change of strategy" for the PS in case of victory in the presidential election, I wish to state precisely two points: First, the hypothesis of this "third way" was repeatedly turned aside by socialist militants in all the votes of these past years. Next, this would be, for a leftist candidate, a very strange way to campaign against Giscard, letting him think that he has, after all, a possibility of agreement with him or his majority. If it's a question of administering capitalism, who can better do it than the advocates of capitalism.

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COUNTRY SECTION FRANCE

ESTIER ON SOCIALIST OBJECTIVES, RELATIONS WITH OTHER PARTIES

Paris PARADOXES in French 31 Mar 80 pp 27-28

[Interview with Claude Estier, managing editor of PS weekly L'UNITE, by Olivier Jay--date and place unspecified]

[Text] [Question] Since 1974, and despite the offers by the president of the republic, the Socialist Party has refused any real dialog with the majority. Why?

[Answer] We're not trying to show off any kind of sectarianism. We are simply defending a program which is fundamentally different from that of the present majority. If we are in the opposition, it is well and truly because the ideas of the parties which are supporting the Barre government do not seem to us to be in the interests of the workers of this country. What could a dialog in these circumstances mean?

[Question] But the political situation has changed since 1974. The Communist Party now stands in the way of any Union of the Left coming to power...

[Answer] We are not going to renounce our goals just because the Communist Party has changed: we do not want to govern out of an appetite for power but in order to bring real change to this society. If we renounced our demands, we would be betraying our voters.

[Question] But is it not essential, in light of the worsening economic situation, to establish a policy of national unity or a government for the public welfare, as Michel Debre says?

[Answer] When Michel Debre speaks of this government of public welfare, he does not specify its composition too clearly. I believe he is thinking of a government in which Michel Debre would play a preponderant role.

To respond more precisely to your question, I will tell you that the worsening economic and social situation, on the contrary, reinforces us in our convictions. We predicted this worsening and proposed various

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measures to avoid it. We are coherent. Why run to the rescue of Mr Barre because of a crisis which he himself has intensified...

[Question] At the international level, could you not be brought to support the government?

[Answer] I should say that in that area I am rather waiting on the reactions of certain leaders in the right. Mr Chinaud, president of the UDF group in the National Assembly was, not so long ago, ferociously opposed to self-determination for the Palestinian people. He is not alone. Now, for the moment, no one has reacted to the recent French proposals...

[Question] Would you support some of the reforms offered by the government?

[Answer] I remind you, and Mr Giscard d'Estaing remembers, that when at the beginning of his term he had passing fancies--quickly smothered--for social reforms, we supported him. It is in fact thanks to us and not thanks to his forces, that laws were passed on contraception, abortion, and the lowering of the age of majority to 18.

When a reform proposal, even a timid one, seems to us to be in the interest of Frenchmen, we vote for it.

[Question] And the recently announced proposal to extend industrial copartnership?

[Answer] That is a joke. We will not vote for this bill which represents everything we reject: the workers are mocked by being offered worthless trinkets where structural reform is needed.

[Question] Is there not even within the majority, however, a fringe which would look more favorably on a dialog with the opposition?

[Answer] Like you, I read or heard the statements of Bernard Stasi of the UDF or of Christian Poncelet of the RPR, calling for such a dialog.

It means one of two things. Either these men hope to bring the Socialist Party to renounce its proposals to its voters. And in this case, they have badly miscalculated. Or their purpose is insincere. Let us admit it. But we are waiting for them to reap the consequences. In politics, it is easy to multiply statements endlessly, to give oneself the air of being progressive. But the reality is still the action one takes in votes in Parliament. Let Mr Stasi or Mr Poncelet help us put an end to the policies of the Barre government. Then we shall see whether we can take their "willingness to be open" seriously.

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COUNTRY SECTION FRANCE

PCF PRO-SOVIET STRATEGY IN RELATIONS WITH SOCIALIST PARTY

Paris PARADOXES in French 31 Mar 80 pp 5-7

[Article by Etienne Mougeotte]

[Text] Georges Marchais is right. There is a powerful anti-communist campaign bursting over the country. In the press, on the radio, on television, in all the political organizations, among all the labor leaders, except those of the CHT, a veritable deluge of accusations is being hurled at the PCF.

But what is the cause and what is the effect? With PCF leaders--and the secretary general in the lead--inveighing against the press, vilifying the PSF, reprimanding radio and television, making accusations against capitalism, denouncing the government, stigmatizing imperialism, and all that in terms which unpleasantly recall the style of the Fifties and the tone of the cold war--is it any wonder that with spontaneous unanimity the rightist press and socialist leaders, radio, television, and noncommunist labor leaders, government figures and big money moguls find themselves shoulder to shoulder in the effort to crush the Communist Party?

Let us be calm and with a cool head try to discover the reasons which have led the PCF to abandon the Union of the Left in France in order to assert its international solidarity with the Soviet Union and to abandon the way of reformism to exalt that of revolution.

Three reasons come together to explain a shift which was probably begun long before the official break-up of the Union of the Left in September 1977.

The first reason is specific to France, and concerns the increasing realization on the part of French communist leaders that the Union of the Left and the Common Program were mainly going to benefit the Socialist Party, becoming not only the biggest leftist party, but even threatening to steal from the PCF what it held most dear: its leadership of the working class. It is not unthinkable that the PCF leadership came to this conclusion in the aftermath of the presidential elections of 1974 but waited until

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September 1977 to break up the Union of the Left officially in order to pocket their winnings in the municipal elections.

The second reason for the communist change of course is international. It consists of a new analysis of the balance of world power following the Soviet invasion of Afghanistan.

Persuaded that, on the one hand, the socialist camp, with the support of a certain number of so-called nonalined countries of the Third World, is in the process of showing its spots irrevocably, and that, on the other hand, the crisis of international capitalism could well be the final crisis predicted in the Marxist vulgate, the French communist leaders think there is nothing further to be gained from the Union of the Left, and consequently they must shift all their efforts toward internationalist solidarity with the Soviet Union.

Finally, a third reason, of a tactical nature and within the Communist Party itself, explains these excesses of tone and language of the PCF leadership. By provoking its adversaries and uniting them against it, the PCF can employ a means of closing up ranks within the party and producing a reflex of sacred unity in face of the attacks from the outside.

Those who ascribe the excesses of recent weeks to the temperament, the character, or the style of Mr Marchais are fooling themselves. What we are seeing is a strategic and tactical move which owes nothing to chance. The PCF is falling ack into its ghetto in an orderly and deliberate way.

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COUNTRY SECTION FRANCE

DEBRE PROJECTS INFLATIONARY ECONOMIC PERFORMANCE INTO 1980'S

Paris PARADOXES in French 31 Mar 80 pp 83-89

[Article by the former prime minister, Michel Debre: "A New Economic Policy for the 1980's"] [on inflation, unemployment, E costs, government economic policy, cutbacks in social services and standard of living, 1980 budget, economic stagnation, cf with FRG--passages in slantlines in boldface]

[Text] The decade of the 1960's was one of near-general prosperity. It was even better for France because its finances were being managed rigorously and an incomes policy was just starting up. The decade of the 1970's was characterized by erosion of international economic and monetary mechanisms, the consequences of which were even more serious because of the laxity of French fiscal administration. The features of the 1980's are imposing a change because--and it is the least one can say--problems are going to continue and doubtless be exacerbated.

Since the beginning of the 1970's, it is indisputable that the essential feature of the French economy has been "overinflation." The causes of this erosion are well known: a policy of easy money from 1970-1972, a refusal to compensate for the increased cost of energy from 1973-1978 with the least growth in purchasing power, a return to free pricing in 1978 without a corresponding wage policy starting in 1978, finally a less and less firm management of public finances. The result of this policy is, unfortunately, explosive: while the rate of inflation in France was roughly equivalent to that in Germany from 1961-1973 (4.5 percent compared to 3.4 percent), it became more than twice as high between 1974-1979 (10.8 percent compared to 4.3 percent). If we concede that a nation's influence is inversely proportional to its rate of inflation, we can better understand the changes in Europe's balance of power in recent years...

A Diminished Capacity for Resistance

Enfeebled by inflation, the French economy inevitably manifests less capacity to resist the international crisis. This crisis--which is more and more taking the form of war in the domains of energy, currency, and industry--

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results in the foundering of the most vulnerable economies. Why then is the rate of unemployment so high in France, Italy, and Great Britain? Why is France the country with the greatest growth in unemployment in 1979 (+15.7 percent), while Germany is--after Denmark--the country where its decline has been greatest (-11.8 percent)? The answer is obvious: today, unemployment is the direct consequence of inflation.

A very recent illustration of this policy of expedience was given us in the 1980 budget.

This budget has in fact been a "great affair" even if the public has been more excited about political opposition [to it], constitutional problems, and recourse to the "question of confidence" than about the essence of the subject.

The essence of the subject is its very gravity and this explains everything. The deficit which by the end of the year will be close to 50 billion Fr. in effect follows ceaselessly growing deficits: 1976: 18 billion; 1977: 22 billion; 1978: 34 billion; 1979: 37.4 billion. Also, the national debt is reaching such a height that we will be condemned to deficit for several years. Appropriations dedicated to repayment of the debt in the 1980 budget have thus reached 24.5 billion Fr, triple the level 3 years ago.

As in the previous years, this large budgetary deficit will be financed, at least halfway, by promissory notes, or creation of money. The economies accumulated for the other half will be at the expense of investment.

As in previous years, finally, no reexamination of the resulting state of affairs will be undertaken. Most of the appropriations will be rechanneled from one year onto the next, with inflation into the bargain, and some additional expenses, with no questioning, however necessary, of priorities.

This state of affairs is not only contrary to the promises made, it is not only contrary to the austere pronouncements we have heard so often: it is very disturbing in respect of the future of France.

To go into the 1980's while pursuing this policy of systematically encouraging inflation would condemn to failure at the outset any intended efforts at growth of investment, exports, or social justice. In truth, to conduct a successful new economic policy demands first of all that one wage a vigorous war against inflation.

Why, the French are asking themselves, have we not succeeded in reducing the inflation rate when for 3 years government has made this its priority objective? What good is it to slow down growth or increase unemployment if even these do not cut down inflation? How can we add economic stagnation to overinflation?

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The German Example

German policy gives us the answer. In this country in fact where the rate of inflation is only half that in France, after having been throughout past years hardly one-third of ours, it has not been necessary to increase unemployment to fight inflation. The present rate of unemployment is the lowest in 5 years. It is because strong action has been taken on production costs. There can be no policy to fight inflation without a wage policy. The key to the German success lies in the agreement between management and wage-earners, an agreement supported by the federal bank and the public authorities. This income policy, which was applied in France twice successfully between 1960 and 1970, has been rejected since the re-emergence of inflation in 1973. This was a mistake, and it is still a mistake. It is true that the labor union situation in France makes it difficult to have a contractual policy on a national scale, and that contractual policies for individual professional branches or regions can in no way be substituted for a national accord, when we speak of fighting inflation. The state must have more direct responsibility. And it is this responsibility which for too many years governments have not wanted to assume.

An Effort at Truthfulness

To work toward a true wage policy would require an effort at truthfulness. Instead of lulling ourselves with the thought that our crisis is but temporary, instead of having faith that the time will soon come when we will have a society where people can work less, take longer vacations on paid leave, and retire sooner, the French should be told that the French economy cannot support the style of life to which we have become accustomed and at the same time cope with the expenses of the state, notably those for social order, unless productions costs are not burdened each year by excessive increases in every category. The international situation condemns us to make an extra effort which alone can permit us to maintain the French standard of living, the unity of the nation, and the strength of the state.

Doubtless an incomes policy will be difficult to enact, for to be accepted it must impose many measures for the sake of social solidarity, especially from the point of view of fiscal equality. But the longer we delay consideration of an income policy that is reasonable, the more we will find ourselves involved in a spiral of inflation, stagnation, unemployment, impotence.

We will be told, doubtless, that the German budget is also in deficit and that Germany is also having its problems with public finance both at the state and regional levels. But the situation is different, particularly if one takes into account the incomes policy which keeps brakes on increases in operational expenses, and if one considers that the German deficit is for the most part the result of its efforts at equipage or of support to investment and research. It is not the same for us. Whether we speak of public

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or social finance, the permanent increases in operating expenses for several years do not allow us to devote the necessary sums to other kinds of outlays and they accentuate the inflationary character of our deficit.

Toward a Voluntarist Economic Policy

Constant inflation and at an elevated level thus permanently alters all economic policy. Now what we need is a voluntarist economic policy.

Hardly have we pronounced these words than the specters of state planning or state socialism leap to the eyes of the reader or listener! It is an argument in bad faith. Voluntarism in economic policy is compatible with the spirit of enterprise and respect of the rules of an economy founded on net cost, as well as with international competition.

In our time, the fight against unemployment, the struggle for prosperity and standard of living and also for the political strength of the nation, require will power.

It is an act of will which could /diminish our energy dependence/. This policy was for too long nothing but empty words.

Thus, we are 2 years behind the reasonable goals established in 1974 for our nuclear program, and at least that far behind in our program of energy economies. Greater efforts are clearly in evidence at present, and research into new sources of energy has been more effectively combined with previous approaches. In this area there has been substantial improvement in recent months and we should congratulate ourselves. The general situation does require more still, and on the other hand the increases which result from inflation give to the sums expended a smaller return each year. A realistic struggle against the basic causes of overinflation would give no vigor to our nuclear program and to research on all new forms of energy.

It is an act of will which would permit /a resumption in the growth of productive investment/.

From 1974 to 1978, productive investment in the private sector decreased each year while it grew in Germany. Doubtless one could see at the beginning of 1979 some improvement, which was the best result of the freeing of prices. But this new trend is weak and remains fragile. The efforts of the state through loans or transfers cannot suffice, that is, cannot profit more than a few enterprises. Efforts by business leaders remain limited by increased rates of interest. In this connection, worldwide inflation certainly plays a part, but the disparity between Germany's investment possibilities and our own can be clearly seen when one compares German and French interest rates on long-term loans. We are so far behind that it would be fitting to establish compacts between those sectors of economic activity whose flourishing is essential, compacts which could implement legislative programs established in a given case for 3 or 5 years.

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It is an act of will which should allow us to /recover control over our commercial policy/.

Our economy has, in the last 2 years, maintained the exports of which the French can be proud. Make no mistake about it, this is the result of 20 years of efforts by enterprises to modernize, and of the new orientation of business leaders. We can also say that the Common Market experience has had strong and beneficial effects on their behavior. However, we must not rest on our laurels, however justified: we are obliged to do more.

Unless something unforeseen produces a decline in consumption, oil prices will remain at such a high level that new efforts in exports will be required and this in turn will require in many sectors encouragement or coordinated action from the state. This voluntarist attitude is all the more necessary since competition on all export markets will be very lively among the commercial powers.

One very serious problem is that of protecting the internal market, which it is often said is incompatible with the growth of exports. The American, Japanese, and German examples prove the contrary. In reality, in the United States, Japan, and Germany, to take just these three states, administrative measures or the establishment of standards result in practical industries. It is not inevitable, to take our own example, that some of our textile industries should disappear, or that we forfeit new agroindustries. In order not to appear tainted by protectionism, we use a new term: recapturing the internal market. It is a more clever formulation, but the idea is the same: to develop ways, by certain procedures, to favor manufactures in light of internal consumption. And to understand what some of our competitors are doing, it is not Malthusianism which moves them to act, but the safeguarding of their national technologies and of employment against unfair competition.

A reexamination of public and social financing, income policy, new effort at lessening energy dependence, new effort at exports and our internal market, these directions all form a whole. They have been called for, in the course of recent years, and in certain cases as I mentioned one could see progress; but we are still so far from realizing them that the years ahead will require of us at the same time greater concentrated effort and actions equal to our words.

It is not possible to continue on the road of increasing unemployment. It is not possible to continue along the road which by consequence of treasury indebtedness deprives us of a great indigenous, family-oriented policy. Does the state of the world /require us to reexamine our defense budget,/ that is, an acceleration of those programs especially concerned with nuclear deterrence? Our world is characterized by bellicose competition and by insecurity. France must at the same time be found among the ranks of the victors in economic competition and also protect its security.

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That is to say that a modern financial and economic policy presupposes a new vision of societal policy and a new governmental conception of the public welfare.

The /new vision of societal policy/ must be audaciously affirmed. In the years to come we will not, except in family policy, be able to enlarge significantly either the field or the size of payments. The solidarity which is a condition for this effort should be characterized by other directions: thus our housing policy, for much of the housing built in the last 50 years should be not only modernized but totally replaced. The younger generation is right in this respect to be more demanding than the older. There is also the new social direction of service for youth and for all those--including young women--who are not called to military service. Many are the social and cultural tasks of our collective life which neither the state nor the municipalities will be able to fulfill without this creation, indispensable for cementing the society of tomorrow.

Finally, promotion and participation should be a constant concern not only of the public authorities but also of educators and business leaders.

The Public Welfare

The importance of these social directions adds to the demands of economic policy to demonstrate the utility or rather the necessity of adapting our democracy to times which do not forgive weakness. Let us be far-seeing and struggle against not only the degradation of the authority of the state but also against the contradictions which impair the functioning of institutions. Let us not go back to the experience of the inter-war years when some democracies died and some of the greatest of the others nearly perished because they refused adaptations which, at the time, would have given political leadership a firmness sufficient to thwart the attempts against the state and against liberty. There are times in fact when democracies must rise up to the level of the public welfare and, in the interest of the nation as of the rights of the individual, at the same time mobilize and direct public opinion through a type of government supported by a national assemblage and disposing of powers equal to its mission--the future of France.

All things hang together. By starting from an apparently modest point, the budgetary deficit, and describing from that point the vigor needed in economic directions and the social conditions for their success, we end up on the authority of the state, that is to say, politics.

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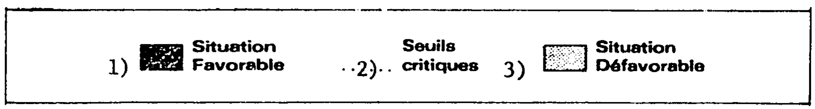
COUNTRY SECTION FRANCE

SUMMARY OF CRITICAL THRESHOLDS IN ECONOMIC PERFORMANCE

Paris PARADOXES in French 31 Mar 80 p 33

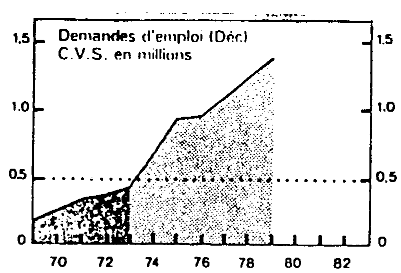
[Unemployment, industrial production, consumer demand, foreign trade]

[Text]



Key:
1. Situation favorable
2. Critical thresholds
3. Situation unfavorable

Job applications (Dec) C.V.S. [expansion unknown] in millions



UNEMPLOYMENT

This chart highlights the extraordinary growth of unemployment over the last 10 years and especially since 1973. It demonstrates, if there were any need, that successive governments were not prepared to prepare against what now appears to be a constant feature of the French economy.

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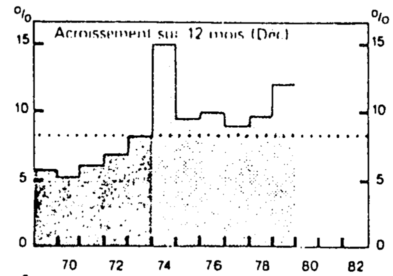
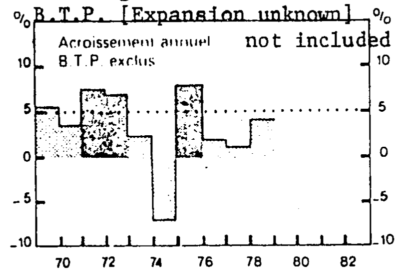
Growth over 12 months (Dec)



CONSUMER PRICES

The gap between the period 1970-1973 and the period after 1973 appears clearly. Except for the peak in 1974, it can be seen that inflation in consumer prices has remained steady at about 9.5 percent. On this level the failure of the Barre Plan is manifest.

Annual growth
B.T.P. [Expansion unknown] not included



INDUSTRIAL PRODUCTION

In industrial production, annual growth shows, if it were needed to do so, the break in the growth rate since 1973. Except for 1 year, 1975, growth rates remained near 2 percent per year. There too, we have a structural factor which must be taken into account. French industry is no longer the driving motor of the economy.

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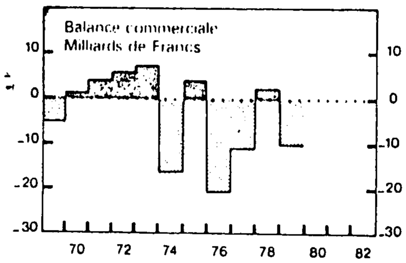
Balance of trade/billions of Francs



FOREIGN TRADE

The situation is different with respect to foreign trade. The recovery made from 1976 to 1978 is manifest, but 1979 brought a relapse into deficit. France has not yet reached balance in its international trade, despite the excellent progress made by French exports.

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COUNTRY SECTION FRANCE

CRYOGENIC MOTOR, SECOND LAUNCH PAD FOR 'ARIANE'

Paris AIR & COSMOS in French 26 Apr 80 pp 65-67

[Article by Pierre Langereux: "Important Decisions on Space by a Limited Council Meeting at the Elysee--60-Ton Cryogenic Motor and Second Launch Pad for Ariane"]

[Text] The limited Council of Ministers meeting devoted to space matters that was held at the Elysee on 17 April 1980[1] took decisions of the highest importance for the future of the Ariane launcher and for Europe's future in space.

The Elysee made no comment on this limited Council meeting, apparently called in some haste. But the minister of industry, Andre Giraud, who took the initiative in calling the press together on the same day, in the presence of the general director of the CNES [National Center for Space Studies], Yves Sillard, announced in effect that the Council has approved the construction of a second complex for launching Ariane rockets at Kourou and of a new cryogenic engine of high thrust (60 tons), permitting subsequent development of the ARiane 5 rocket, the most powerful version of the present launcher.

Second Ariane Launch on 23 May

The minister of industry announced that the next launch of the Ariane rocket --the second test-flight launching (L02)--"will take place on 23 May."

Andre Giraud also revealed that the last of the four test-flight launches (L)4) "will take place in February 1981," which represents a slight lag (2 months) behind the previous forecasts.

At Least Four Launches per Year until 1984

The future outlooks for the Ariane launcher are good, the minister of industry declared. In addition to the first four test-flight launches, there

1. The limited Council of 17 April 1980 was held in the presence of the president of the republic, the prime minister, and the ministers of industry (Andre Giraud), of defense (Yvon Bourges), of postal & telecommunications service (Norbert Segard), of transport (Joel Le Theule), of research (Pierre Algrain), and of the budget (Maurice Papon).

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will be, between now and the beginning of 1984, nine European launchings of Ariane rockets (Ariane versions 1, 2 or 3) to launch the Exosat satellite, the two ECS's [expansion unknown], MARECS [expansion unknown] B, Spot, the two Telecom 1's, and the direct-TV satellites TDF 1 and TV-SAT 1. Eight other export launches are also planned. These include one firm order and two free options for INTELSAT, as well as five paid reservations for launches for INTELSAT, for the ATT company, for the countries of the Arab League (Arabsat project), and for one other customer who wants to remain anonymous.

This, on the best presumption, makes a total of 17 operational missions between now and 1984 and a total of 21 missions from the first launching of the Ariane rocket last Christmas.

Under these circumstances, "the rate of production and launching of the Ariane rockets will reach four launches per year between now and 1984," the minister of industry declared. But the CNES will be capable of doing five or even six launches per year (including one reserve launcher) during this period with the existing launch pad, Yves Sillard specified.

Creation of a Second Launch Pad

The limited Council acknowledged the necessity of beginning construction of a second launch pad (ELA [Ariane Launching Complex] 2) at Kourou, mainly for launching the new Ariane 2 and 3 rockets.

The formal project for building ELA 2, with its schedule and costs, will be presented to the next CNES board of directors meeting in June, and then submitted for government approval.

This second launch pad, which will be built close to (600 meters) the present Ariane launching complex, will cost between 400 and 500 million francs. It is to be ready by the end of 1983-beginning of 1984. With the two launch pads available at that time (the first one having been modified to launch the new Ariane 2 and 3 rockets), the CNES will be able to carry out as many as 10 launches per year.

Subsequently, the second launch pad (ELA 2) will be modified to launch the new Ariane 4 rocket.

Development of Ariane 2 and Ariane 3

The minister of industry also announced that "the development program in progress has the financial means to go as far as building the Ariane 3 version."

These new Ariane 2 and 3 versions will be the only ones used after the first batch of six Ariane 1 rockets already ordered and presently under construction, Yves Sillard specified.

The Ariane 3 rocket will be available at the end of 1982-beginning of 1983. It will be able to put a big direct-TV satellite into orbit, or two telecommunications satellites simultaneously, the CNES general director declared.

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Subsequently, it is intended to develop--also by European cooperation--even more powerful versions of the European launcher: the Ariane 4 version is to be available for 1985--looking forward to the eventual launching on INTELSAT 6 satellites, which will appear starting in 1986--and the Ariane 5 version is planned for the end of 1990.

The formal Ariane 4 project has not been presented to the limited Council, for a decision is not necessary before 1981 (with financing beginning in 1982), with the launcher available 4 years later. The development cost of the Ariane 4 version will be about 400 million francs, in the same order of magnitude as for the Ariane 2 and 3 versions (360 million francs).

The Ariane 5 final version will make it possible to do launchings at costs 60 percent less than those of Ariane 1, the minister of industry declared. This rocket will be able to launch 10 tons into low orbit or a mini-space shuttle with a crew of two to five.

SEP Assigned the 60-Ton Cryogenic Motor

The minister of industry announced that the limited Council had "decided to begin the predevelopment program for the new cryogenic motor of 60 tons thrust (HM 60) needed for building the Ariane 5 rocket.

More than 100 million francs will be devoted to the initial work: 4 million is already provided and 7 million more is planned for 1980, as well as 26 million francs in 1981, 35 to 40 million in 1982, and a like amount in 1983. The feasibility study just decided on is to result in definition of the technical specifications for the HM 60 engine in 1984. The development schedule will be fixed after consideration by the CNES board in the coming months.

The CNES has presently named the SEP [European Propellant Co] as the prime contractor for designing the 60-ton engine. But Franco-German cooperation is planned for the complete development of the new engine. In particular, negotiations will be started to associate the FRG firm MBB [Messerschmitt-Bolkow-Blohm] in the project.

Startup of Arianespace

As a result of the creation of the Arianespace company for production, marketing and launching of the Ariane rockets, the minister of industry declared that "the problem of the relations between Arianespace and the European Space Agency (ESA) is now settled" (cf AIR & COSMOS, No 806).

Of the 11 ESA member countries concerned, 8 countries, representing about 94 percent of the shareholdings, have already given their agreement to the French declaration (Spain and Ireland in the form of a statement of intent). Only three countries--The Netherlands, Italy and Switzerland--have not yet officially joined.

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As for France, it is to present to Parliament shortly, for ratification, the text of the ESA convention, already ratified by all the other member states.

Choice of the First French Cosmonaut in June

The program to prepare the first French astronaut, who will go into space on board a Soviet Salyut station (in mid-1982) is proceeding as planned, stated the minister of industry, announcing that the limited Council had confirmed the financing of the program for 1981 (18 million francs).

The CNES is presently drawing up a complete medical balance sheet for the five men and women candidates under consideration (cf AIR & COSMOS, No 807). Discussions with the USSR on definition of the mission of the future French astronaut will begin in May. The choice of the mission and selection of the two candidates--the astronaut and the "understudy"--will be made in June 1980, Yves Sillard declared.

Agreement on Direct TV at End of April-Beginning of May

With regard to the satellite projects in progress, Andre Giraud announced in particular that a detailed agreement between France and the FRG on the bilateral TDF 1 and TV-SAT direct-TV preoperational satellite project is now "very close."

It seems that several points remain to be settled; but the FRG officials have quite recently made commendable efforts to accomodate the French ideas.

The intergovernmental agreement should thus be signed "within a very few weeks"--theoretically "at the end of April or the beginning of May," Andre Giraud specified.

These satellites will be launched at the end of 1983-beginning of 1984. They will be built by a Franco-German group recently formed by Aerospatiale, Thomson-CSF [General Radio Company], AEG [General Electricity Co]-Telefunken and MBB.

Startup of Telecom 1 and Spot

The framework for building new French Telecom 1 telecommunications satellites and Spot earth-observation satellites is in place, the minister of industry declared. The startup of the Telecom 1 project "has been delayed" because of the military payload, and also as a result of "modifications of transmission specifications not originally planned," the minister acknowledged. The DGT [General Telecommunications Administration] has had to modify the French satellite's aiming system and covering to enable other European countries (FRG, Italy and Great Britain) to use the telematics service.

The final negotiation of the Telecom 1 contracts with the industrial firms should be completed in July, Yves Sillard believes. The Telecom 1 satellites will be built under the prime contractorship of Matra, with Thomson-

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CSF for the payload. After an invitation to bid, Aerospatiale was also chosen recently to do the heat control and the solar generator for the satellites. Other important systems have also been subcontracted to European industry: the structure to Aeritalia (Italy), the attitude-control engines to ERNO [expansion unknown] (FRG), the power supply and wiring to BADG [expansion unknown] (Great Britain), the telecommunications equipment to SAAB [Swedish Aircraft Company] (Sweden), the antennas to INTA [National Institute for Aerospace Research] (Spain), and the nutation damper to Fokker (The Netherlands).

The industrial-construction phase of the Spot project is also to begin shortly, with the launching of the satellite now planned for March-April 1984. According to Yves Sillard, the negotiations with the industrial firms should be completed within 1 or 2 months.

The minister of industry also announced the setting-up of a "data-marketing structure" for the Spot satellite to the benefit of the various users (IFP [French Petroleum Institute], IGN [National Geographic Institute], BRGM [Bureau of Geological and Mining Exploration], BDPA [Agricultural Production Development Bureau], etc). This "structure" will very probably take the form of a stock company in which the CNES will have a large share. The project will be submitted next October for government approval.

Four New Meteosats

France also intends to "take part" in the project to build and operate new geostationary weather satellites designed to succeed the present Meteosats, with a view to improving weather forecasting (from the present 3 days to 6 days), the minister of industry announced.

The project provides for construction of four additional satellites (in addition to the Meteosat 1's and 2's), which will be launched at the rate of one about every 3 years, to cover Europe, Africa and the Middle East. The French government has therefore chosen an option that falls between the industrial firms' numbers (three to five satellites).

Exploitation of the data from these future satellites will be done by a new European meteorological organization, EUMETSAT, with the French National Weather Bureau and its European partners associated in it. The proposal is presently under preparation.

"Master Project" for the 1990's

The minister of industry emphasized the "French desire not to fall behind in proceeding with the operations," in view of the foreseeable evolution of the technologies in the coming years.

Thus, Andre Giraud unexpectedly revealed the existence of a "master project for the 1990's," presently under study in the CNES, with European cooperation in view.

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This master project, which has not yet been submitted to the boards of the CNES or the ESA, is aimed, the general director of the CNES specified, "at acquiring for the 1990's the various technologies" to make it possible in particular to build "large telecommunications platforms" and "automatic factories for fabrication in space."

The necessary technologies involve mainly intersatellite liaison, rendezvous and mooring in orbit, robot technology, recovery of space vehicles, etc.

They could "take the concrete form of a mission at the end of the next decade," Yves Sillard declared. This mission would have three components:

--a relay satellite in geostationary orbit for transmission of data between a satellite in low orbit and earth;

--a power module for supplying power to an automatic space factory;

--and an automatic space shuttle to moor to the module and bring back the products made in the factory.

A later phase is for man in space, with the proposed Hermes mini-space shuttle with crew (of two to five); in fact, the CNES is presently considering the comparative advantages of the automatic and piloted systems.

2.25 Billion Francs for the CNES in 1981

The French government has made budgetary provisions in line with its ambitions, the minister of industry declared.

Thus, the budget of the CNES will total about 2.25 billion francs in 1981, as against 1.8 billion francs in 1980, Andre Giraud announced.

The 1981 budget includes 80 million francs of a total of about 300 million francs for the TDF 1 direct-TV satellite project, which is to start this year with about 100 million francs. The French share of the direct-TV satellite project, developed jointly with the FRG, will in effect be cofinanced by the CNES and the Secretariat for Postal and Telecommunications Service (which now has oversight of TDF).

But this budget includes only a part of the credits now devoted by France to space. To it must be added the credits (more than 100 million francs) for construction of the second launch pad at Kourou (if the project starts in 1981).

Nor does the 1981 CNES budget include the credits for the Telecom 1 satellite project, financed almost entirely by the Secretariat for Postal & Telecommunications Service (which is over the DGT); but it does include the Ministry of Defense credits for the Spot observation satellite (for which a military derivative, SAMRO [expansion unknown], is planned). Neither does

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it include the credits for construction of the future operational weather satellites to succeed the Meteosats; these future satellites will be charged to the Ministry of Transport (which the National Weather Bureau comes under).

It can thus be estimated that the French space effort will total about 3 billion francs in 1981, Yves Sillard states.

For the following years, the CNES budget will be "rather down a little," unless the CNES again has "some very good ideas," the minister of industry declared.

Looking ahead to 1983, the CNES budget would thus fall between the 1980 level (1.8 billion francs) and the 1981 level (2.25 billion francs), depending on the hypotheses--that is, with fewer or more "open credits" to permit the start-up of eventual new programs, Andre Giraud stated.

Furthermore, the CNES is preparing a "multiyear research research and development program" which will be submitted for approval by the Center's board of directors before 15 October next, the minister of industry announced.

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COUNTRY SECTION FRANCE

TITANIUM SPONGE FACTORY CONSTRUCTION DEBATED

Paris AIR & COSMOS in French 12 Apr 80 pp 11, 48

[Text] A report by the "basic materials, supply and competitiveness" working group, which was established within the framework of the preparatory activities of the Eighth Plan, has just been disseminated by the French Office of Documentation.* This report once again underscores the vulnerability of French industry, particularly as regards materials such as titanium and cobalt, which are so important to the aerospace industry.

Total Dependence of France

An annex to this report on the prospects for supplies of titanium is of special importance. In the first place, this annex indicates that although traces of rutile have been discovered in Brittany, French production of the ore is nil; and supplies are totally assured by imports (238,000 tons of raw material in 1978), principally from Australia and Canada. France's dependence on the basic material of titanium metallurgy; i.e., titanium sponge, is total. On the other hand, with respect to the production of titanium metal, alloys of titanium and semifinished products, the intervention of the PUK [Pechiney-Ugine-Kuhlman Company] through Ugine-Aciers was noted.

The report states that as for the use of titanium alloys in airplane engines, certification procedures require that the manufacturing processes of these alloys must be precisely identified. That is why efforts to purchase titanium alloys from the USSR have not been successful, since it refuses to permit any control over such procedures. What is more, for the most vital engine parts, such as moving parts, it is also necessary that the sponge processing methods themselves be precisely identified. That is why sponge from the USSR cannot be used for the moving parts, since the USSR refuses to allow control of any kind. A feasibility study is being conducted by the PUK to evaluate the use of specially selected Japanese sponge for French engines in IMI 685. Finally, the report notes that with respect to parts cast in

*"Basic Materials, Supply and Competitiveness." French Office of Documentation. 29-31, quao Voltaire, 75340 Paris Cedex 07. 60 francs.

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titanium, France has partially detached itself from the monopoly position enjoyed by the United States in this sector, thanks to the construction of the Messier-Arudy titanium foundry.

Imbalance Between Supply and Demand

The report next takes up the situation on the titanium market and emphasizes the imbalance between titanium sponge supply and demand because of the appearance of new users, particularly the nuclear industry, and the increased consumption of the aeronautical industry. The manufacture of the Airbus airframe requires 5 tons of titanium alloys (including 1.25 tons as the French share); i.e., 10 times that of the Caravella airframe. Over 3 tons of titanium or titanium alloys, are also needed to manufacture an M-53 engine instead of the approximately 150 kilograms for the Atar 9K50. For a CFM 56 (French share), about 1.2 tons of titanium or titanium alloy are needed; for a CF 6 50, about 0.3 ton is needed (French share).

The rapid growth of orders from the world aeronautical industry since 1977 has greatly increased the demand for titanium. The growth rate of consumption during the period covered by the Eighth Plan will be 14-26 percent. Since productive capacity is limited and certain countries have stopped their deliveries, prices have increased while delays in delivery have occurred. This situation can only be aggravated. We are in danger of quickly reaching a situation of acknowledged shortage; and there is no doubt that France, which is totally dependent on imports, is today facing a profound and lasting crisis in regard to its supplies of titanium sponge.

The report goes on to underscore the fact that titanium is one of the very rare metals for which France has the capability of developing a totally integrated industrial process, from extraction of the ore to the final product. The realization of this objective supposes the creation on national territory of a titanium sponge production capability. The construction in France of a titanium sponge production plant is, therefore, simultaneously a necessary condition and a mandatory point of passage of one of the six major options of the Eighth Plan: "to reduce our dependence in energy and raw materials." This will also contribute to the realization of that other option of the Eighth Plan, namely "the development of a competitive industry."

Cobalt and Composite Materials

The report also suggests that [based on the action of] French investors in the future in the cobalt sector, and particularly because of the increased use of alloys by the aeronautical industry demand could rise by 1-8 percent per year.

This report also discusses the use of composite materials by the aeronautical industry and the perspectives for use of these materials in the space sector, such as high resistance ceramics for high temperature structural applications. The report also emphasizes that the aeronautical industry has entered a new era of innovation in the use of new methods of production to not only increase

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the quality of finished products but also to better master the costs involved. As a matter of fact, during the last 5 or 6 years, international economic development has brought about a large increase on the order of 60-100 percent in the prices of alloys used in the aeronautical sector. This escalation of prices has caused a complete reexamination of the use of alloys with respect to tonnage at the industry level. One of the basic objectives set forth is the construction of pilot processing plants [ebauches] near the coasts compared to the traditional techniques of forge and foundry. The report underlines the fact that these new techniques require large industrial resources which are already being used extensively by the United States. The report concludes that "with a view to reducing our industrial dependence and to maintaining a capability to produce competitive airplane engines in France, both in the technical and cost sectors, it is necessary to master the advanced processes which are necessary to assure such production. This involves:

Being permanently informed about new developments abroad;

Having available the personnel staffing and study laboratories adapted to these needs;

Assuring the installation of the production resources within the desired time frames."

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COUNTRY SECTION FRANCE

BRIEFS

MILITARY PROPAGANDA BROADCAST--On 20 June, over TV channel TF-1, TV viewers will see a live broadcast showing General [Guy] Mery [chief of the armed forces general staff] putting the French armed forces on alert from his underground command post at the Armed Forces Operations Center. Aircraft takeoffs, naval maneuvers and ground forces exercises will enable Frenchmen to get a close view of the military training being given to their children. The program will be shown during the time period normally allotted to "At the Theater This Evening." [Text] [Paris VALEURS ACTUELLES in French 5 May 80 p 27]

SDECE GRUMBLING--There is grumbling in the French secret service. "Georges," the new head of the action arm of SDECE [Foreign Intelligence and Counter-Intelligence Service], has undertaken the reestablishment of Prussian discipline. Everyone in spotted dungarees and "blackface," doubtless an ideal way to camouflage a secret agent. But the men of the action service, commandos, initiated into exotic languages or parachute jumps with delayed canopy opening, consider this return to the "GI" ritual offensive. And they are making it known with ill humor. [Text] [Paris L'EXPRESS in French 19 Apr 80 p 143] 9516

PCF REPORT--Georges Marchais's abrupt switch in foreign policy is clarified in a confidential PCF report. In all the trouble spots around the world, the balance of forces is changing in favor of the communist bloc, this text explains. Its victory is ineluctable. This study was prepared by the Communist Conference of Paris. Its principal author is a permanent staffer, Gerard Streiff, a deputy to Maxime Gremetz, who is responsible for the PCF's international affairs. Convinced that world tension is going to continue growing, Georges Marchais has decided to beef up the Gremetz team. From now on, it will be charged with supplying him with more analyses and syntheses. [Text] [Paris L'EXPRESS in French 19 Apr 80 p 143] 9516

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COUNTRY SECTION ITALY

EVER INCREASING ROLE OF COAL AS ENERGY SOURCE

Rome ENERGIA E MATERIE PRIME in Italian Jan-Feb 80 pp 35-44

[Article by Paolo Massacci: "Role of Coal in the Economy of Energy Sources"]

> [Excerpts] Coal will certainly have an ever increasing role among the various energy sources. Therefore, greater attention must be paid to conditions of production and utilization, in order to achieve costs more competitive with liquid fuels.

Italian Coal Market

In Italy, the contribution of solid fuels to energy production has proved to equal 6.5 percent, compared with 67.3 percent for the contribution of liquid fuels, with regard to their gross domestic consumption in 1977.

It is realized that the consumption pattern is somewhat different from the pattern in the other leading countries of the [European] Community (Belgium, France, Germany, United Kingdom) and from the Community pattern as a whole for which a contribution of 21.7 percent solid fuels and 53.9 percent liquid fuels was recorded, in 1977, as primary sources of energy in the total gross consumption.

In Italy, therefore, the use of the two principal energy sources comes out to be equal to close to 1:10, in the ratio between solid fuel and liquid fuel, compared with a ratio higher than 1:3 for Europe and a still higher ratio, equal to about 1:1.5, if world energy consumption is taken into account.

Therefore, Italy seems to be lagging seriously with regard to the world trend to increase the use of coal in the production of energy. There was a modest domestic production of lignite (1.8 million metric tons in 1978) compared with a supply of mineral coal estimated at 1.9 million metric tons, with a moderate increase in absolute value in comparison with the previous year.

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The National Energy Plan, which anticipates coal consumption on the order of 20 million metric tons in the short range, certainly intends to modify the present pattern of supply of energy sources, but it must be pointed out that the consumption pattern will probably remain, at any rate, far from the pattern in the leading industrialized countries and worldwide trends.

In any case, in order to achieve the objective established in the PEN [National Energy Plan], it is necessary to establish a coal supply policy opportunely that must make use of sizable investment activity abroad in mining companies to be guaranteed in prices and quantities.

In the present state of available technologies, Italian resources are, in fact, capable of ensuring only a limited contribution to the fixed national requirement. Moreover, it is necessary to accelerate the process of development and, therefore, of utilization of domestic resources, starting with Sulcis coal capable of satisfying 15 to 20 percent of the above-mentioned consumption level.

Acquisition of solid fuel energy sources requires ENI [National Hydrocarbons Agency], no differently from what has already been done by the other oil companies, to penetrate definitely into the coal market, adjusting its own structures and accelerating a process of acquisition of new operating areas, already underway, moreover, by the state agency.

Utilization Prospects of Sulcis Coal

The largest coal field in Italy, meeting the needs of large coal consumers, is located in Sardinia, in the vicinity of Porto Vesme.

A coal horizon of the subbituminous coal type is located at an average depth of 500 to 600 meters, with resources amounting to many hundreds of million metric tons of crude coal.

Economic considerations stemming from a new point of view on mine working and from an updating of the mining plant, also in the light of a recent series of drillings, have made it possible to determine that the economically workable reserves amount to around 100 to 150 million metric tons, updating the previous ENEL [National Electric Power Agency] estimates going back to 7 years ago and corresponding to an obsolete mining structure and a different market situation. The level of reserves seems adequate to ensure for a long period of time (30 to 40 years) the supply of electric and steam powerplants existing in the vicinity of the mine with an annual consumption on the order of 13.6 to 16.3 million calories, or 2.5 to 3 million metric tons of washed coal and, therefore, 3.5 to 4 million metric tons of crude coal at 4,500 calories a metric ton, depending on the degree of utilization of the powerplants and on the yield of washing to make the product meet the users' specifications.

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In order to achieve these production objectives economically, a project has to be developed that will provide for abandonment of extraction methods and the introduction of a new mining structure adjusted to the attainment of high productivity with the introduction of more modern technological methods in a production structure for which high professional qualifications are required and, therefore, a transformation of the traditional role of the miner, "servus ad metalla" [slave to mines].

The investment needed for carrying out this undertaking has been estimated, somewhat liberally, by SAMIM [expansion unknown] to be on the order of 170 billion lire with direct employment of about 1,600 units.

Achievement of the project is entrusted to the CARBOSULCIS [Sulcis Coal] Company, established as the result of a national law with state capital (EGAM [Agency for the Management of Mineral and Metallurgial Concerns] and then ENI-SAMIM) amounting to 61.5 percent and with capital from the Sardinian Autonomous Region EMSA [Construction Company] for the remaining 38.5 percent.

In spite of the difficulties encountered by the company in the first phase for the transfer of ENEL mining shares, for reconstitution of the professional quality of the employees in place of the old miners who all went over to ENEL, for the uncertainties of its technical and administrative center, the desire expressed by SAMIM to give development and encouragement to the program for reactivating the Sulcis coal field must be put down as positive, although only recently.

In fact, while the prospecting phase is nearing conclusion, an effort to achieve the new infrastructures of the mine is being observed and steps are being taken to strengthen the technical structure and to increase the employment of workers with the opening of a new worker personnel recruiting phase.

Difficulties and Problems in Coal Utilization

Concerning Sulcis coal, it should be pointed out that the main difficulties in its use stem from the high sulfur content (6 percent in the crude coal).

In derogation of what has been specified in every other circumstance, Law 393, of 1975, explicitly provides for the utilization of Sulcis coal in powerplants located at the mouth of mines; in other words, with regard to the favorable atmospheric conditions of the site.

Nevertheless, the problems stemming from the high sulfur content must not be underestimated and steps must be taken opportunely to acquire plants for desulfurizing the coal or the smoke or both, and technologies for improving the fuel. Projects for coal gasification are moving in this direction and are being encouraged not only insofar as they do not represent an obstacle to the immediate resumption of production in the Sulcis field, but also ensure its development and better exploitation in the medium term.

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Advantageous technologies with a rather broad application are involved for whose development a vast effort is being made all over the world by research and industry.

It should also be pointed out, with regard to the use of solid fuels in general that there are limitations on their combustion in Italian thermal powerplants associated with their construction features and the utility of the production sites, with regard both to coal storage capacity and the ability to process the coal and to eliminate the ashes.

The PEN should propose to overcome these disadvantages as much as possible to ensure maximum versatility of thermal powerplants and to make maximum diversification of supplies possible.

Further difficulties may stem from the emergence of new ecological rules with regard to the discovery that some types of coal, and more especially lignite, release considerable amounts of radioactivity during their combustion, sometimes exceeding appreciably the radioactivity coming from nuclear powerplants with the same power.

Moreover, matters that are still controversial are involved, as is evidenced by the controversial discussions in progress in the United States. Although they cannot be generalized, the dangers exist and must not be underestimated. Therefore, a great effort is needed in research to make better utilization of coal possible with maximum safety.

The foregoing precautionary observations cannot, however, move the role that must be reserved for coal to a subordinate position, as is emphasized by the Commission of the European Communities in its report in May of this year [sic]: "The importance of coal as a future source of energy requires that steps be taken urgently toward a community policy on coal."

This importance was confirmed recently in the conclusions of the summit meeting of the industrialized countries in Tokyo: "We are committing our countries to increasing as much as possible the use, production and exchanges of coal without harming the environment. We shall seek to replace oil with coal in the industrial and electrical sectors, to encourage improvements in the transportation of coal, to maintain positive attitudes with regard to investments for coal projects."

A Policy for Coal

In the light of the foregoing economic observations, however, coal will be able to play a constantly more important role among energy sources, if greater attention is paid to production and utilization conditions by achieving costs constantly more competitive with the equivalent cost of liquid fuels.

The need arises from the preceding remarks, also for our country, to determine a suitable role for the utilization of coal within the framework of a national energy policy.

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As was also pointed out in the resolution of the AIE [International Economists Association], in May of the present year [sic], this involves the preparation and implementation of a program of research, development and demonstration of technologies for mining, transporting and burning coal.

In addition, the problem of constructing new electric powerplants or of replacing existing ones burning coal exclusively or primarily comes up.

It is also necessary for research on technologies for converting coal into liquid or gaseous fuels to be developed in our country also, including setting up pilot plants. For example, Sulcis may be a site for installing this kind of plant in anticipation of a subsequent development of the program for extracting coal to be used as a source for a wider distribution of energy in Sardinia.

It is likewise necessary to introduce a plan of operations that will ensure adequate amounts of coal supply in the framework of planning for the utilization of differentiated sources of energy.

In the light of the foregoing remarks, coal cannot be set up as an alternative energy source to our country's exclusive use of oil, but, rather, it is proposed as an energy source to which greater attention and importance should be devoted in a coordinated system in which every available source of energy must find a place or, at any rate, must be taken into consideration.

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COUNTRY SECTION SPAIN

BRIEFS

'MUNDO OBRERO' MAY CLOSE--Spanish Communist Party [PCE] leaders are looking into the possibility of closing down MUNDO OBRERO, the party's official daily newspaper, due to the enormous debts that have been incurred. Although the PCE only publicly admits to a 33 million peseta deficit, sources within the party affirm that it exceeds 100 million pesetas. [Text] [Madrid CAMBIO 16 in Spanish 11 May 80 p 5]

SOVIET VISIT--A visit to Spain by an official Soviet labor union delegation has remained an absolute secret. The Soviet delegation, invited by Workers Commissions, the labor union close to the communist party, did not participate in any public activity. Workers Commissions provided no information nor did it provide the customary joint communique. [Text] [Madrid CAMBIO 16 in Spanish 11 May 80 p 5]

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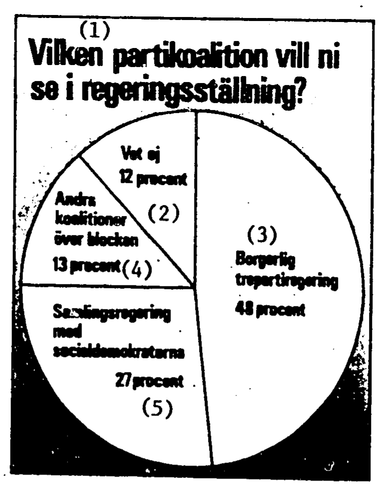
COUNTRY SECTION SWEDEN

INDUSTRY CHIEFS POLLED ON FALLDIN GOVERNMENT AFTER NUCLEAR VOTE

Stockholm VECKANS AFFARER in Swedish 27 Mar 80 p 3, 4

[Text] If the confusion over the energy question is now finished, the price of the referendum is that a portion of the confidence that the business world had in the government has been eroded. This is how the reaction can be interpreted among the 100 big business leaders who participated in a poll by VECKANS AFFARER after the event.

Nearly half of these would like to see another government combination than the one now in office.



KEY:
(1) Which party coalition would you prefer to see in the government?
(2) Do not know - 12%
(3) Bourgeois three-party government - 48%
(4) Other combinations outside the blocs - 13%
(5) Coalition government with social democrats - 27%

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[Caption below] A majority of decision makers support the three-party government. Many, however, believe that the economy requires broad political solutions and would like to see different coalition alternatives.

On the question of which government combination they would prefer, one-fourth answered that they wanted a broad coalition government. That is an old wish from sections of business world which, according to them, have acquired new power in the borrowing economy that Sweden is going through.

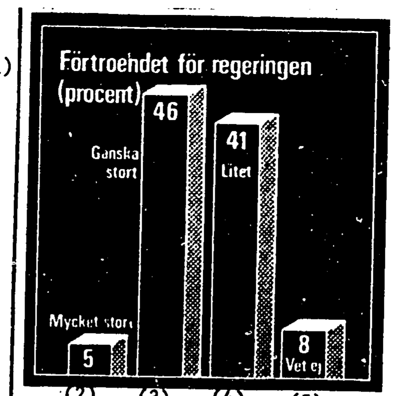
Managing Director K-G Svedberg of Philipsons is one of those, saying "As long as the political blocs have not been cracked by the referendum, I would prefer to see the blocs entirely broken and the government strengthened with social democrats."

Managing Director Ake Nilsson, Navigator, said, "What we need is an aggressive program which runs over a longer time than the existing mandate period. With a coalition government of the Swiss type the politicians could stop leering at each other."

It was noteworthy that six business leaders really wanted to see a coalition between the conservatives and the social democrats.

The relatively cool attitude toward a bourgeois three-party government was reflected in the answers to the following question, "How is your confidence in the government after the 'yes' victory?" Forty-one said they had little, 47 had rather much, and 5 had great confidence.

(1)



Bara fem av 100 företagsledare ställer helhjärtat upp bakom regeringen.

KEY: (1) Confidence in the government
(2) Great confidence - 5%

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(3) Rather much - 46%
(4) Little - 41%
(5) Do not know - 8%

[Caption below] Only 5 of 100 business leaders wholeheartedly support the government.

The 100 business leaders who participated in VECKANS AFFARER's poll represent companies with a total business of 381 billion kronor and which have altogether 898,000 employees.

In the government which still has 2 and 1/2 years to serve, its prime minister should be Thorbjorn Falldin, according to a majority of the business leaders (70 in all). Several explained that they "forgive" the Center Party leader because of the clear declaration of loyalty to the government that he made Sunday after the counting of votes.

Managing Director Thorbjorn Ek of Hexagon said, "The vote was no defeat for Falldin, and neither was it for the 'no' side. Thorbjorn Falldin should remain in the government as representative for the very large minority. He can then personally lead the work of bringing forth completed sources of energy."

Of the 30 who would now prefer to see Falldin withdraw, most of them want Gosta Bohman to be the new prime minister.

Nils G. Asling's popularity has not been much reduced in spite of his support of line 3. Only 16 believe that he should heed the advice of the Federation of Industries and retire.

A myth can now probably be laid to rest--the one that the energy referendum would stop investments. The question, "Have you postponed investment decisions while waiting for the referendum?" was answered negatively by 92 decision makers. The other eight can point to increased investment decisions worth altogether 1.3 billion. It should, however, be noted that this includes SCA's [Swedish Cellulose Company] planned 800 million kronor investment in Ortviken and Granges Aluminum's planned expansion at Sundsvall of 300 million kronor.

Another major company which has stayed awake is Skandia Insurance Company, which has increased its investments. "We have been careful in the stock market. Behind this lies the conviction that the stock market would have been very adversely affected by a negative vote," says Skandia's finance director, Bjorn Wolrath. He thinks now that business has already discounted the election decision.

Nearly half of those questioned (45) are suspicious of intentions to stop nuclear power development after 12 reactors. Of these, several expressed the belief that increases in the price of oil are reaching the point that a new nuclear program must be worked out for the period after 1990.

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"What is surprising in this debate is that nobody seriously shows any concern over a sudden lack of oil," says Managing Director Sture Odner. "Therefore I don't believe that the halt is going to last. Twelve reactors is not a holy number."

Forty business leaders believe, however, that the final nuclear power program is now set. Fifteen answered "Don't know." "Unlike the politicians, we in the business world know how impossible it is to predict the future," said one who wanted to remain anonymous.

One clear hope from the business community is that Sweden will now allow its uranium to be mined. Eighty-two of those questioned hope that Ranstad will now be exploited--only 16 were against.

Falldin's Double Role Is An Obligation

The belief that the nuclear power question is now settled is naturally not realistic.

The many comments of this nature are intended more to pin down Thorbjorn Falldin and the Center Party with "the message from the people" than to give assurances that the problem is over.

The prime minister has conceded that the safety interpretation of the Nuclear Power Plant Act which was the basis for the Liberal Party government's grant of permission to activate reactors seven and eight will continue to apply. That is naturally essential.

But there still remains the question of reprocessing, which Thorbjorn Falldin very correctly emphasized on election night. According to the Nuclear Power Plant Act, a contract is required for reprocessing of used fuel. Such reprocessing is contracted for operation of reactors seven and eight until 1990. For reactors nine and ten the contracted reprocessing service will last no longer than the middle of the 1980's. And while waiting for international agreement on how plutonium from the reprocessing will be handled there will be no new contracts or guarantees for reprocessing.

The alternatives are storage of waste products until the reprocessing service is resumed, or direct storage for which further research is necessary.

We guess that Thorbjorn Falldin in his dual role as nuclear power administering prime minister and leader of the Center Party finds it both urgent and necessary to do the most that he can about these matters.

P. G. Gyllenhammar Says, "Forget The Campaign And Support Falldin!"

[Interview with P. G. Gyllenhammar, President of Volvo]

[Question] What have we learned from this referendum?

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[Answer] We have learned where the people stand. I have always believed in a clear majority for activating the reactors and a large vote in favor of line 2, and that is what happened.

But I have also been entirely against the idea of a referendum, forcing people to look upon this question in isolation. It has taken too much power and resources.

For the same reason I do not favor a referendum on the employee investment funds--referenda should be about things which have the highest priority for the voters. We can take care of ourselves according to the Swiss model.

[Question] What should the government do now?

[Answer] Now they should keep their distance and objectivity--the economic debate is not absolute. The government can have an insight on the problem but can do very little. Lack of knowledge is very risky in wage negotiations.

SAF's [Swedish Employers' Confederation] analysis of the situation is one that very few dispute, and it agrees with the economists of LO [Swedish Trade Union Confederation]. SAF truly believes that we are in a difficult situation and in this situation I have no difficulty in wholeheartedly supporting SAF. I have been concerned about it since the mid-1970's--in 1975 I was alone in suggesting a wage freeze.

[Question] LO can handle a four-month conflict. How long can Volvo manage?

[Answer] A total conflict would shortly have a severe effect on Volvo. The best would be not to have a conflict, but the society would be making a mistake if SAF could not keep its credibility and stand fast with what they said.

But I do not think that LO is showing militancy, only firmness.

[Question] What do you say to LO's suggestion of a social democrat-liberal-center government?

[Answer] That would perhaps be good from LO's standpoint, but the solution of a coalition government should not be taken unless the country is in a real crisis. It is like referenda--it is more important that the country is led by a political philosophy. I do not see any signs that the conservatives are devouring the others in the government. Saying that is an excessively one-sided way to over-emphasize the importance of the conservatives.

[Question] Should Thorbjorn Falldin remain as prime minister?

[Answer] Falldin should lead the country. He was not elected merely so that line 3 would win. And the entire center stands behind Falldin, while the social democrats and the liberals are divided throughout all the lines.

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Falldin also made an unusually balanced contribution on voting night. It is just as well to put aside what all the cabinet ministers said during the campaign. First they said that the people shall decide, and then they go out and say that they have decided for the people.

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COUNTRY SECTION SWEDEN

INFLATIONARY SPIRAL BEGINS TO REDUCE BUSINESS OPTIMISM

Stockholm VECKANS AFFARER in Swedish 27 Mar 80 pp 59, 60

[Text] Sweden has come out of the past year's wave of inflation considerably worse than other industrial countries. Between February 1979 and February 1980 the Swedish inflation rate--measured over the 12-month period--has increased by almost 150 percent, from 5.5 percent to 13.6 percent.

That is more than any other industrial country. Japan comes next, with an inflation rate slightly more than doubled. But there the continual devaluation of the yen has contributed to driving up domestic prices.

Sweden's standing in the inflation league has therefore become much worse.

One year ago Sweden was almost a low inflation country with price increases far below the OECD average. But after several rapid strides in recent months we are well above the average for industrial countries. Only the United States, England, and Italy now register a larger 12-month increase.

Even if Sweden is the worst, inflation rates have increased in all countries. Nor is there any sign of improvement. Only Switzerland can point to a decline. The inflation rate there went down from a high of 5.2 percent in November to 4.1 percent in February.

An especially spectacular worsening has taken place in Norway. There they had, with Austria, the lowest inflation rate in OECD during 1979--just 4.7 percent. But then Norwegian consumer prices increased by 2.7 percent in January and February and the 12-month increase thereby went to 7.4 percent. Businesses were acting quickly to regain the losses which they experienced during the 15-month price freeze which expired at the end of the year. But this does not bode well for the spring wage negotiations.

On the average consumer prices in the industrial countries rose 12.7 percent during the 12 months up to and including February 1980. Increases were greater after the previous oil crisis--in November 1974 prices in the OECD countries were 14.6 percent above the level of one year before.

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All the predictions that the inflation rate would begin to decline have up to now been pushed into the future. It also seems that the energy price increases have not yet been felt in the consumer prices in many countries. There is still a certain risk of new oil price increases and even other raw material prices can drive up the general inflation level. At the same time demands for wage increases will keep inflation alive for the time being.

On the other hand the economic policies of today are more aimed at fighting inflation than they were in the mid-1970's. Then the policies in several countries were relatively expansive--there was an attempt to hold demand high and employment down even though this caused higher inflation. The OECD especially recommended measures to stimulate the economies of the larger countries to speed up the world's economy.

Now the ideas are changed. Already early in 1979 the economic policies of most countries were being tightened up with the expressed objective of fighting inflation. Most of all it is monetary policy that is being used. That is noted in the record high interest levels in many countries, something which also naturally contributes to high inflation rates.

These policies lead to low growth and probably new unemployment records. But it should also lead to stopping the increase of inflation rates in the industrial countries during the spring.

Next Raw Materials Boom Is Coming In 1982

[Interview with Christopher Stobart, Chief Analyst at the Commodities Research Unit Ltd in London]

[Question] After a violent increase to a top level of about 1300 pounds per ton, copper is now down at the same price level of one year ago, 990 pounds. Is the copper boom finished?

[Answer] The immense price increase last month is mainly explained by a spectacular fever which spilled over from gold and silver. Speculative capital began to find gold and silver expensive in January. People took their gains in these metals home and went over to copper. After last month's rapid increase in interest rates in the world it began to be expensive to have capital in non-interest-bearing metals. One can get nearly 20 percent interest in banks in the United States.

[Question] What do you believe is a reasonable price level for copper for the rest of the year?

[Answer] We believe in a copper price level in 1980 of around 800-1000 pounds. Because of high interest rates around the world the governments have more or less programmed the expected recession to arrive this year. That will cause a continued fall in the price of copper. But in June this year the 3-year wage contract comes up for the large American copper producers.

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It is almost customary with these wage negotiations that the industry will be hit by strikes. One estimate says that 40,000 tons of production can be lost, which will certainly cause prices to rise. That will temporarily balance the economic decline in demand and price. Toward the end of the year we also believe in an increase in production in the copper industry which will probably drive up production over consumption for the first time in several years. The prices will therefore fall, but at a rather slow rate, we believe. But since the rate of investment in the industry has been low for many years, a rather small increase in demand will soon place pressure on production capacity and price.

[Question] Also the price of aluminum has fallen back from a top level of just over 900 pounds per ton in January 1980. Do you foresee a continued decline from today's price of about 860-870 pounds per ton?

[Answer] No, we believe that aluminum prices are going to remain at a high level and perhaps even climb for the short term. We are on the verge of a worldwide shortage of aluminum. There has not been sufficient investment in view of the rapid advance of the metal. It has been restrained mostly by the continuously rising cost of energy, and the production processes are extremely energy-demanding.

[Question] The free market price for aluminum is about 1900 dollars, while the American producers sell for about 1350 dollars. Locked-up prices and speculation fervor here too?

[Answer] Only in the sense that the consumer will protect himself and insure his access to the metal. Stocks of aluminum are now at an absolute minimum around the world. Several important aluminum users, such as the aviation industry, have full order books for all of the 1980's. The demand guarantees a high price for 1980. Then it will depend on how deep the recession becomes.

[Question] A metal which showed a much slower price development recently is lead. The price seems to be in a falling trend from 583 pounds one year ago to about 480-490 today. Will this development continue?

[Answer] We believe that the market now largely discounts the fall in demand by the automobile industry. Just now the Soviet Union and the eastern countries are large buyers. But the forecast is that the prices mostly will stay where they are today.

[Question] One of the largest price declines on the markets has been that of tin. Only three weeks ago the price was up at its highest level ever of 8350 pounds per ton. How does the future look?

[Answer] Tin prices this year are going to be strongly influenced by sales from the American government's stockpile of strategic metals. They have decided to sell 35,000 tons to tin. That is quite a lot, when the world's annual consumption is 200,000 tons. Now we believe that sales are going

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to begin in June with small quantities every other week. That can make prices fall rather fast. But on the other hand, as has happened with so many other metal industries, there have been too few investments during the entire 1970's. Very little new production has been brought forth. If the United States should stop their plans for selling or curtail the quantities for sale we can have a price increase. The picture for tin is therefore rather uncertain.

[Question] In the slightly longer range--how are metal prices going to react in the coming recession?

[Answer] There are clear conditions for a rather powerful raw materials price boom after a decline. A stipulation is that the recession will be rather mild, which we believe. At the same time, with the continued low investments in the metals industries there can therefore be a rapid pressure on production capacity when business conditions change again in 1982. The pressure on prices can be undermined by new raw materials speculation if inflation continues to be high in the world, which seems probable. Therefore we look for a powerful increase in prices in 1982.

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