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# West Europe Report

(FOUO 15/82)



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## WEST EUROPE REPORT

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THEATER FORCES

UNITED KINGDOM

DISCUSSIONS ON TRIDENT, CHEMICAL WEAPONS

Pro-Trident MP

PM161551 London THE DAILY TELEGRAPH in English 16 Feb 82 p 18

[Article by Julian Critchley: "Is Giving Brezhnev a Rocket the Best Way to Use Trident?"]

[Text] Poor John Nott. He is beset with troubles. The treasury won't let him pay his bills, his backbenchers are becoming disenchanted and Trident may cost twice as much as he told Parliament it would less than a year ago.

"I told you so" is the inevitable comment of those of us who are familiar with the dynamism of American arms production. Once committed to "commonality" with the American nuclear submarine missile programme, we cannot avoid being caught up in the rhythm of its production lines.

What is now the intention of the Ministry of Defence--though I believe the treasury is yet to be won over--is to go for the new, larger version of the Trident, the D5. This is because President Reagan has decided to deploy it in 1989 in place of the C4, which was to be the model for the new British flotilla of four submarines, costing about 5,000 million pounds at 1980 prices, to replace our aging Polaris vessels.

As the production of the C4 missile is likely to be phased out before the new British submarines are built, it would be sensible to order or earmark now the Royal Navy's requirements from the D5 production line. The size and capability of the D5 commend it to those who believe that the Soviet military threat calls for the most formidable weapon of deterrence available. It will have a range of 6,000 miles, double that of the C4, and the multiple warheads of its missiles are said to be more accurate.

The submarines will have a displacement of 18,000 tonnes and 16 missile tubes. I believe that the cost--whatever the present government line may be--is likely to be about 10,000 million pounds, double the original estimate. This would buy us only three of these great submarines, which would mean only one would be likely to be on station at a time.

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It is not only the size which accounts for the greater cost; there is also the fall in the exchange rate from \$2.40 to the pound in 1980 to about \$1.80, and the bigger contribution (at least 12 percent) to research and development compared with the 5 percent charged for the C4. Total expenditure would be spread over 15 years and would amount to some 6 percent of the defence budget. Most of the cost would be incurred in the late '80s, and it is estimated that 70 percent of it would be spent in Britain.

The problem of the extra expense, which is yet to be resolved in cabinet, is complicated by the news that we are to spend some hundreds of millions on renewing the motors of the Polaris missiles. If the life of Polaris is to be prolonged, why not build four new Polaris submarines? This view, which the Ministry of Defence should consider, is reinforced by the news that the expensive Chevaline warheads, ordered by the Wilson government for the extirpation of the Muscovites, should need arise, have just been test fired from renown.

Another alternative could be cruise missiles, which would be cheaper and more accurate. President Reagan's decision to mount a large number of them in submarines is evidence of American confidence in their sea-launched efficiency.

The cost in money is, of course, the one traditional aspect of national armaments on which parliamentarians concentrate. But there are a lot of political, moral and psychological considerations, belonging to quite a different order of ideas, which this decision summons from the deep: and I have a feeling that it is from this source, as well as from the military and financial arguments, that British Governments will encounter obstacles to the fulfillment of a new Trident programme.

To begin with, the political consensus which has supported nuclear deterrence is no more. Michael Foot and Tony Benn, who were members of the Labour cabinet which authorised the Chevaline system for the purpose of penetrating the anti-ballistic defences of Moscow, are now pillars of unilateral disarmament.

The Labour Party would repudiate the Trident agreement with America were it to win the election. That is not very probable, but we now learn that Dr Owen is also in favour of dropping Trident, unless it was too far advanced financially (which is unlikely to be the case), if the Alliance comes to power. That also may now seem very unlikely, but the possibility of some kind of foreign policy agreement between a numerically-reduced Conservative Party and the Alliance is not unreal.

What is more, there are evidently a great many people who have no high regard for the parties nowadays and form their opinion independently, particularly on world affairs. For them, television is probably the most formative influence.

Not long ago the nuclear disarmament campaign held the centre of the stage, but events in Poland have served to blunt its appeal and there has been recently a reaction against the special pleading and emotional excess of CND. Yet it would be a mistake to underestimate the rational core of the campaign and the anxiety about the rivalry in nuclear armaments which it has aroused in the minds of many thoughtful people. If we cannot count on the consensus of the political party leaders for a British deterrent, it is more than ever necessary to carry the moderate centre.

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It is the target of the deterrent which sticks in the gullet of the moderates. This may mean nothing to those concerned with the technical capability of a strategic nuclear missile; but it is not without psychological importance. According to NATO "the UK Government has stated that the Trident force will be assigned to NATO and dedicated to sacred targets." Yet throughout the evidence given on the subject to the Defence Committee of Parliament, one target and one target only was mentioned, the Moscow conurbation. "Because of its symbolic value to the Soviet Union and to the world communist movement.

"It follows that to be able to hold Moscow hostage may have a very powerful deterrent effect and therefore that, on balance, the British deterrent should be able to penetrate Soviet ABM defences"—which is, of course, the purpose of Chevaline. Is that a target chosen by the supreme allied commander? In fact, I believe it was the target always intended by the British Government ever since we possessed a strategic nuclear missile, the threat to massacre the population of Moscow being only contemplated, of course, in retaliation. It may be that this "city busting" abomination is the purpose of the Russian SS20s, which the Pershing IIs and Tomahawks are designed to counter, but which it is the aim of the Geneva negotiations to eliminate.

In the past 4 years the doctrine of both the super powers seems to have moved away from the destruction of cities in favour of missile silos and other military objectives. It is, at any rate, a more rational form of warfare.

The British mass destruction objective appears to be a relic of the early post-Hiroshima days. If British missiles, like the American, were known to be primarily directed, for instance, at some of the many targets in the great military complex of the Soviet Union's "northern theatre of operations, of which the Kola Peninsula is the centre, and which is the most concentrated source of potential nuclear aggression, it would be much less difficult to "sell" Trident, or any other system, to the British people today.

Anti-Trident Former Defense Chief

PM231123 London THE SUNDAY TIMES in English 21 Feb 82 p 16

[Article by Field Marshal Lord Carver, chief of Defense Staff 1973-1976: "Why Britain Should Reject Trident"]

[Text] The issue over Trident is whether or not the government should spend a considerable sum of money—figures varying from 6 to 10 billion pounds at 1981 prices are bandied about—on replacing the existing force of four ballistic missile submarines with a force of four or five new British-built nuclear-powered submarines, equipped with either the current or the improved Trident missile, for which Britain would design and produce new nuclear warheads. If not, should Britain attempt to maintain an independent strategic nuclear deterrent strike force with some other, cheaper system, or give up the struggle to keep up with the nuclear Joneses?

There are three questions that need to be answered before one can approach the answers. Should we continue to design and manufacture our own nuclear warheads?

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Whether or not we do, should we man nuclear delivery systems? If the answer to both those is yes, should we continue to maintain a force which is called independent and strategic?

Let me answer the easiest question, the second, first. I have no doubt that, as long as NATO's policy is that there should be nuclear delivery systems based in Europe and its surrounding waters, we should play our part in manning delivery systems. The more that European members of NATO demonstrate that they accept a policy of nuclear deterrence, the stronger the cohesion of the Alliance will be. To refuse to do so, or to refuse to allow bases for delivery systems in one's territory, seems to me to be hypocritical and inconsistent with membership of the Alliance, although it can be explained away as helping nuclear deterrence by defusing local objections.

How Many Bombs Were Needed?

As to whether or not we should continue to design and manufacture our own warheads. That depends a good deal on the answer to the third question. How important, therefore, is it that we should have our own independent strategic system, that is one which can inflict such unacceptable damage on the Soviet Union that, by itself, it deters her from doing something which we regard as unacceptable to us? The criterion for this is generally thought to be the ability to inflict considerable damage on Moscow, which is protected by an anti-ballistic missile system, on the efficacy of which some people now cast doubt; and the ability to do this when nobody else is attacking the Soviet Union, with the capacity to maintain that threat 24 hours a day, 365 days a year, although the U.S. established the criterion of its "countervalue" deterrent as the destruction of 50 percent of the Soviet Union's industrial capacity and 25 percent of her population.

The arguments for having an independent nuclear force have varied down the years, the military ones invariably having been evolved to rationalise the political decision already taken. The original decision, finally confirmed by Attlee's administration in the bleak January of 1947, has been described by Professor Margaret Gowing in her masterly official history as emerging from a body of general assumptions; not a response to an immediate military threat but rather something fundamentalist and almost instinctive...a symbol of independence. When the air staff came to calculate how many bombs were needed for the deterrent purposes they were meant to serve, she described the methodology as so ridiculous that its conclusions seemed worthless. Things have not greatly changed since then.

Churchill and later Mac-Millan in the early 1950's justified the force, then the RAF's V-bombers, on the grounds that there were targets which were vital to us, but which the U.S. might not regard as such, and that our possession of nuclear weapons enabled us to make certain that these targets were attacked, and also gave us influence over U.S. policy generally, a claim that sounded hollow in the Suez affair the year after Mac-Millan had made it.

At the start of the sixties, when the strategic nuclear balance between the U.S. and the USSR was casting doubt as to whether the former would be prepared to initiate the use of nuclear weapons in the event of Russian invasion of Western



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Europe, and the Kennedy administration, particularly its Defence Secretary Robert McNamara, became very concerned that nuclear war should not be sparked off for causes or in conditions which did not warrant national suicide, other arguments were heard.

France had exploded her first device, and the U.S. feared that the contagion might even spread covertly to West Germany, McNamara described independent forces of lesser powers as "dangerous, ineffective and prone to obsolescence." Henry Kissinger, who in his 1957 book "Nuclear Weapons and Foreign Policy" had favoured proliferation of this kind, as he had also the concept of limited nuclear war, recanted on both 3 years later in necessity for choice, describing independent retaliatory forces in Europe as "in danger of producing an illusory feeling of security which in some respects magnifies the danger."

The arguments put forward by Britain and France at that time were somewhat self-contradictory: That their forces tied the Americans to one's side and committed them to engage their nuclear armoury, and that they were an insurance against either the departure of the Americans from Europe or their unwillingness to become involved in a nuclear war on its account.

Proliferation and Blackmail

The French general, Andre Beaufre, produced the clearest concept of this. He argued that the minor nuclear power's force was protected by that of its major nuclear ally, because the opponent could not afford to strike it, for fear of retaliation by the major, unless it had the capability, and exercised it, to destroy the major power's force at the same time. The Soviet Union would recognise this and therefore be much more cautious about taking action which directly threatened the minor power, but might not be regarded as a stake worth risking nuclear war by the major. The situation also had the advantage that the minor power was free to pursue an independent foreign policy, even one opposed to the interests of its major ally, because the inextricable linkage of their nuclear forces in the overall nuclear equation compelled the major power to consider the interests of the minor power as its own.

Beaufre, in common with Kissinger, Herman Kahn and others, ridiculed the idea of a minor nuclear power, particularly one whose population was concentrated in cities, threatening nuclear retaliation on its own against a major nuclear power, if it had been abandoned by its major nuclear ally. It would be tantamount to suicide. He therefore favoured proliferation nations as strengthening the alliance.

He glossed over two aspects of his concept: The implications of its application to West Germany and the possibility that pursuit of such a course might drive the major ally to abandon the alliance, which, by his definition, would undermine the value of the independent force.

Britain had never been quite so blatantly cynical in its justification as that, but it has used the same argument in different forms. The pure and simple "trigger" argument has been employed, but to suggest that we or France should,

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by firing off a nuclear weapon ourselves, which the Russians would not be able to distinguish from an American one, plunge the alliance into nuclear war against the wishes of the U.S. is so patently irresponsible and clearly unpalatable to our great ally that it has been suppressed.

The more subtle form that has been used, and is now the one on which the government publicly relies, is that, although we have full confidence that the United States will be prepared to initiate nuclear war if conventional aggression in Europe could not be held, or to retaliate if the Warsaw Pact initiates their use, the Russians might think that they would not be prepared to do so for fear of escalation to retaliation against American cities; but they could have no doubt that we (or France) would be prepared to take that risk because we are in Europe, although the risk to us would be total and to them only partial.

There are two questions to be answered here. First, if the "second centre of decision" argument is valid, the Beaufre's version of it seems to me to have more substance to it, is it in our interests to encourage the Americans to be prepared to initiate nuclear war in Europe? Second, is it worth paying the price for it at the expense of conventional forces, as, with a limit to defence expenditure, it is bound to be?

My answer to both questions is no. My reason is that, as has been the case ever since the nuclear arms race started in 1945, the West's thinking has constantly lagged behind the realities of the race.

A concept based on nuclear superiority in one field has quickly been invalidated by the Soviet Union following suit with a capability to retaliate in kind at every level, producing a nuclear stalemate that has now descended from the strategic to the tactical level. At the theatre of tactical level any nuclear exchange, however limited it might be, is bound to leave NATO worse off in comparison to the Warsaw Pact, in terms both of military and civilian casualties and destruction. That is a factor of geography and of the overall balance of conventional forces. The only exception would be if the Soviet Union were to respond to NATO's use of nuclear weapons either with a much more limited response or not at all. To initiate the use of nuclear weapons on that assumption seems to me to be criminally irresponsible.

This overall nuclear stalemate, which is not a matter of balancing exact numbers of nuclear delivery systems at different levels, but of the ability to retaliate in sufficient strength at the same or a higher level, makes it imperative to improve the strength and flexibility of NATO's conventional forces. It also makes a good deal of NATO's nuclear armoury not only superfluous but positively dangerous, as encouraging its politicians and military staffs to think that the use of nuclear weapons could redress the effect of a conventional defeat and therefore that nuclear forces can compensate for inadequacy in conventional ones; would actually be used for that purpose and are therefore, as the defence secretary claims, good value for money.

A further argument for an independent strategic force is that, if a nuclear exchange were to take place in Europe, our ability to retaliate would at least ensure that targets in Britain were not attacked by nuclear weapons (some would

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even claim even by conventional weapons), one that cannot be flaunted in front of our non-nuclear allies. More than one American critic has pointed out that that concept means that Britain and France would be likely to hold back their nuclear weapons, and perhaps not be as wholehearted in their conventional efforts, if NATO were attacked. Far from being a contribution to NATO's nuclear deterrent, it tends to undermine it, and the logical application of the concept is to promote proliferation.

I therefore believe that to spend money on Trident shows a wrong appreciation of priorities. We should accept that our nuclear strike forces are part of NATO's "forward based systems," and we should encourage the Americans to widen the Geneva talks, as the Russians have demanded, to embrace all such systems in the hope that they can be reduced on both sides.

## An Addition to the Arsenal

If the result of that is that NATO continues to wish to maintain intermediate range (or long-range theatre) nuclear delivery systems, we should offer to man all or a proportion of those based in the UK or its surrounding waters. When Polaris fades out, this could be the American cruise missiles, if they are part of the armoury, or just aircraft as we do today. But it would not matter whose the warheads were, and we could save a significant sum by shutting down our capability to produce and maintain them. The knowledge of how to do so would remain, if, for some curious reason, we wanted to resuscitate it.

However, cruise missiles would not be suitable as an independent strategic force. If Britain insists on maintaining the latter, the only sensible form it can take is a second-strike retaliatory force that is as invulnerable as possible, and Trident is undoubtedly the best system for that. But I believe it to be an unnecessary addition to the American nuclear arsenal, which is more than sufficient to act as a deterrent to the only things that it is now capable of covering: war between the U.S. and Russia, and if that fails, the use of nuclear weapons by both sides. The essential feature which links that deterrent to Europe is not Britain's independent deterrent, but the presence of adequate U.S. conventional forces in Europe, to the maintenance of which the strengthening of the conventional capability of her European allies is an essential contribution.

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## Nott Seeks Trident Parts Deal

PM221621 London THE TIMES in English 22 Feb 82 p 22

[Report by Henry Stanhope: "Jobs Deal Sought in Trident Talks"]

[Text] Britain is trying to negotiate a deal with the United States under which firms in Britain might be able to make parts for the Trident-2 nuclear missile.

The implications for jobs of such an agreement would make it easier for Mr John Nott, secretary of state for defence, to convince his government and party colleagues of the wisdom of replacing Polaris with Trident-2 as Britain's strategic deterrent in the 1990's.

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The most likely date for a cabinet decision on whether to change from the Trident-1, or C4, to the bigger, longer-range but more expensive Trident-2, or D5, is now thought likely to be in the week after Sir Geoffrey Howe's budget on 9 March. That would enable Mr Nott to attend the next meeting of NATO's nuclear planning group with the decision behind him.

An arrangement under which British industry would be allowed to compete for contracts in respect of those missiles, which are being made for the United States Navy as well as for Britain, would pacify companies like British Aerospace which has been complaining that it stands to get nothing out of the Trident purchase.

Negotiations are not yet complete, but the latest reports largely confirm the impression that the United States has been more agreeable to a Trident-2 deal than government officials had feared.

The United States is also said to be agreeable to asking Britain for a fixed payment towards the research and development costs instead of the more expensive and more risky percentage deal worked out in the existing Trident-1 contract, which was announced in July 1980.

Sources are talking of a total package costing around 7,500 million pounds. A shifting exchange rate makes it difficult to talk in terms of one fixed sum. Although it will be more expensive than Trident-1, the treasury prefers the prospect of Trident-2 because, being a later programme, it will cost less over the next few years. The Ministry of Defence is also planning to spread the cost over 20 years instead of 15, and making the present Polaris force serve for about 5 more years before being phased out.

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Nott, MP's on Chemical Weapons

PM241755 London THE TIMES in English 24 Feb 82 p 4

[Unattributed report of 23 February House of Commons session: "Chemicals From Behind Closed Russian Doors"]

[Text] It was time for MP's to concentrate on the threat from Soviet chemical weapons instead of criticizing Britain's American allies, Mr John Nott, secretary of state for defence, said. Pressed by the opposition on deployment of chemical weapons, he said there was no proposal to deploy them on British soil.

We have taken the lead (he said) in trying to get a ban on the manufacture of chemical weapons but the Soviet Union, because it has a massive lead in these weapons, deployed forward in Europe, and has 60,000 troops trained to use them while NATO possesses none, refuses to agree to verification measures.

He was answering Mr Denzil Davies, an opposition spokesman on defence who had accused him of prevaricating on chemical weapons.

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Mr Davies had said: We all know there is a Russian stockpile and there is going to be an American stockpile, and I hope for negotiations to reduce them. Will he make clear that the government has no intention to manufacture chemical weapons or to allow them to be located on British soil whether they are British or American?

Mr Michael McNair-Wilson: Has any European member of NATO yet asked for chemical weapons to be stationed in their country?

Mr Nott: There is no proposal at present to deploy the new American binary weapon forward in Europe and the Americans have agreed to consult their European allies before any such forward deployment arises.

Mr Frank Haynes asked if the stationing of chemical weapons in Europe was discussed at the last meeting of NATO defence ministers.

Mr Nott: No.

Mr Haynes: Many people do not believe Mr Nott's statements on chemical weapons. When will he come clean and let the people know what is going on behind closed doors?

Mr Nott: Russia has 60,000 troops trained in and specially designated to fight in chemical warfare. Their training is carried out in live chemical grounds and we know there are fatal casualties among the soldiers involved in Russia.

Russia holds over 300,000 tons of chemical weapons and much of this is deployed forward into Europe, with the means of delivering it. That is what is happening behind closed Russian doors.

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ENERGY ECONOMICS

FEDERAL REPUBLIC OF GERMANY

NEW HEATING SYSTEM REDUCES COSTS BY 50 PERCENT

Hamburg CAPITAL in German Feb 82 pp 86, 88

[Article by Karl-Heinz Seyfried: "Storage in Concrete"]

[Text] A newly developed technique offers amazingly low heating costs. Heat is extracted from the environment and used for domestic heating. Experts declare that the new procedure, applicable in any new construction, has outstanding features.

BAU-ZENTRALBLATT waxes ecstatic over the new heating system: "The stuff the heat comes out of--it's concrete." And the "Baumarkt Tip" information service exhorts its readers--primarily construction entrepreneurs--in bold type: "My urgent recommendation: climb aboard this train!"

The cause of the enthusiasm of these two trade journals and of many others is a new heating system which helps to reduce energy costs by more than 50 percent. It was developed by the medium-sized Seemann Concrete Works in Villingen (Schwarzwald). In prefabricated exterior walls, balcony parapets or garden walls concrete workers have laid in plastic pipes in which a heat-exchanging fluid circulates. The trick: the fluid is always a few degrees colder than the concrete walls and hence extracts heat from them. The heated material flows into a heat pump which cools it and uses the acquired energy to warm the heating water. This procedure called by its Schwarzwald inventors a massive absorber system has been tested by the technicians of the reputable Fraunhofer Society at its Institute of Structural Physics in Holzkirchen and has been found to be good. In the raw climate of the lower Alps the massive absorber has now for the third winter been heating an experimental house monovalently with the heat pump--that is, without an additional heating boiler.

Professor Bernhard Schwarz, chief of the Fraunhofer testing program, has established that the massive absorber system yields for each kilowatt-hour of current used 2.7-fold heat output--distinctly more, for example, than energy roofs or fences made of metal which also extract heat from the air. The reason: concrete stores more heat than does any other building material and is capable of exploiting the daytime heat at night.

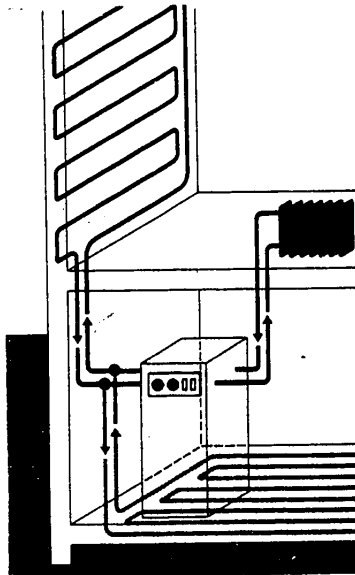
Traditional heat pumps which extract energy directly from the air provide in monovalent operation only 2.2 times the consumed electric current as heat energy.

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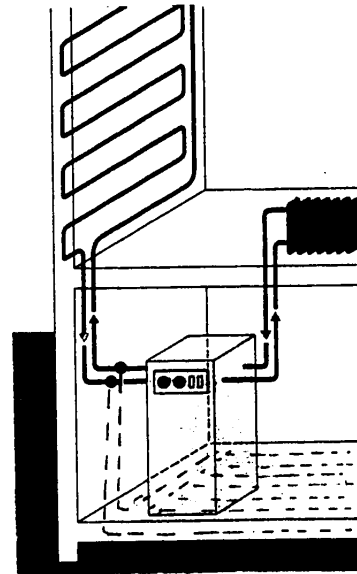
It is true that the efficiency of installations which extract heat from groundwater or from the ground is greater than in the case of the massive absorber, but their field of possible application is restricted: groundwater is not everywhere accessible and heating from the ground requires extensive excavation. On the other hand with the concrete system it is possible to heat the building even on the coldest days with pipes in only half as much wall area as the square footage of the dwelling.

For especially low exterior temperatures the inventors of the system have introduced a safety feature: the foundation plate of the house serves as energy storage. Yet even in the cold winter of 1980/81 this reserve was not needed. Measurements made at the administrative offices of the Seemann firm (with 5,000 square meters of office space, the largest building thus far which has been heated entirely from concrete) confirm the fact that even at 780 meters above sea level the exterior walls were always able to store enough environmental heat for heating the building.

Heat From Concrete



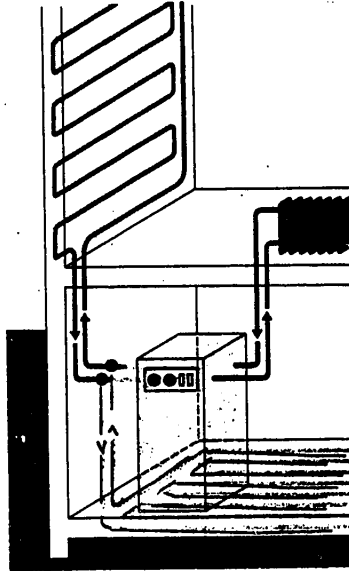
Cold brine, a mixture of water and antifreeze is warmed at the exterior wall. It flows back to the heat pump which extracts its absorbed energy and uses it to heat the house.



If the exterior wall is warmer than the foundation plate and if the domestic heating system requires no additional energy the brine flows from the wall into the foundation plate and heats it.

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Heat From Concrete (continued)



On especially cold days the heat pump extracts the stored environmental energy not from the exterior wall but from the foundation plate and uses it to provide comfortable temperatures in the house.

As always in the case of new systems there were skeptics who had their say. Testing chief Schwarz was able to meet their objection that the use of environmental heat would also permit moisture to penetrate into the pipes, freeze there and burst the concrete. The professor states that massive absorbers manufactured industrially from high-quality concrete and laminated for optical and energetic reasons so as to be water repellant have as long a working life as normal concrete elements: "Otherwise we could absolutely not give the system the Fraunhofer Institute's endorsement."

Also the heating expert of the Technical University of Berlin Professor Horst Esdorn, who has tested new energy ideas for the German Federal Ministry of Construction has no doubts about the reliability of the massive absorber. He considers it to be "certainly one of the cleverest solutions." In addition, the system is already economically viable today. While for an individual home it costs about 14,000 marks more than a conventional oil-heating system, nevertheless it saves about 1,600 marks in energy costs annually. Because installations of this type can be completely written off in 10 years the tax advantage even for middle-income users is so great that it even outweighs the high interest rates.

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ENERGY ECONOMICS

ITALY

ALGERIAN GAS PIPELINE ACCORD AT IMPASSE

Milan IL MONDO in Italian 22 Jan 82 pp 18, 19

[Article by Lorenzo Scheggi: "Eni Likes a Slow Fire"]

[Text] The last ones to try were Luciano Lama, Pierre Carniti and Giorgio Benvenuto. On an official visit to Algiers as guests of the Algerian trade unions, starting on 10 January, in fact they spent most of their time talking about methane and the Italy-Algerian methane pipeline, trying to overcome the problems that may make a once-in-a-lifetime deal founder in red tape and regrets. The umbelical cord which links Italy to Africa, running below the Sicily canal and the Straits of Messina, has been ready for months. More than a thousand kilometers of pipeline have already been laid from the Hassi R'Mel methane fields to Calabria. This pipeline is to be 2,500 kilometers long by 1984, extending to the Padana valley to connect--at Minerbio, near Bologna--with the northern Italian methane network. The completed methane pipeline should carry more than 12 billion cubic meters of methane per year. About 4 billion cubic meters of gas could be pumped through it already. But the project has ground to a halt, and so far all efforts to get it going again have been in vain, from the official efforts of Eni and the Italian Government to the more discreet attempts made by various Italian political leaders, including Enrico Berlinguer, secretary of the Italian Communist Party. And why has the deal been grounded? What are the obstacles standing in the way of an agreement?

The official reason, and certainly the most important one, is the price. The agreement between Italy and Algeria was concluded in 1977. But, for over a year, the Algerians have been saying that they want to revise it. Their objective is basically to equate the price of gas to that of petroleum and, above all, to permanently link the two prices so that the price of gas will rise every time the price of petroleum does. Snam [National Gas Pipeline Company], the branch of Eni which signed the agreement, disputes this reasoning because, as the government has repeatedly explained as well, the price of transporting gas is three to five times higher than that of transporting crude oil and because the gas market has its own rules which can be ignored only at the risk of rendering methane noncompetitive. "There ought to be some relationship between the two prices," Giacomo Luciani, director of research at the Institute of International Affairs and one of Italy's most brilliant experts on energy problems, told IL MONDO. "But Algeria's demand for an automatic link is unacceptable. That policy could gradually make that country lose its entire market to other gas-producing countries and to petroleum."

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No exact figures are being mentioned by either the Italians or the Algerians. But, according to information leaked to IL MONDO, the Algerians seem to be asking about \$6 per million B.t.u. (a special unit of measurement equal to about 27 cubic meters); but, according to the calculations of Italian experts, gas can be competitive on the Italian market only at a price under \$5. It is a fact that the Algerians are now billing France \$6.11, but France is only paying \$4.30, accumulating a dispute of gigantic proportions which was supposed to be solved by the French president's recent trip to Algeria. According to information leaked about the matter, François Mitterrand squared the circle by giving the Algerians the difference in the form of special aid to development. Some say this formula could find support in Italy, too. It is also a fact that, according to experts close to Confindustria, Algerian gas priced as the Algerian government wishes would cost consumers about 340/350 lire per cubic meter, as opposed to 240 lire for the gas Italy is supposed to import from the Soviet Union via the trans-Siberian gas pipeline.

For the trade unions, however, this argument is only half valid. Donatella Turtura, secretary of the CGIL, told IL MONDO: "It's true that there are pricing problems. But this is only because Italy has no meaningful policy towards developing countries. The solution of the methane price should be found in the context of broad cooperation agreements in the interests of both countries. Obviously, without such a policy purely commercial considerations prevail."

But some people think there is a third reason which explains the halt in the agreement with Algeria. According to this theory, Eni is not doing everything in its power to bring the contract to a successful conclusion, "Because", the proponents of this theory say, "Italy is not really ready to use Algerian gas".

Industrialists admit this openly: "The hypothesis of a broad, large-scale industrialization of the South driven by the advent of methane doesn't seem to have become a reality, at least for now." And not much has been done in the area of nonindustrial consumption either. According to the methanization plan, 374 southern communities met the requirements for financial facilitations designed to help create urban distribution networks. But the deadline for submitting requests has passed and only one-third of them have done so. Says Donatella Turtura, "The government is to blame because it did not implement the necessary projects, so a big opportunity for development and economic renewal that could have affected the whole South has been lost. But maybe we can still catch this train if we run."

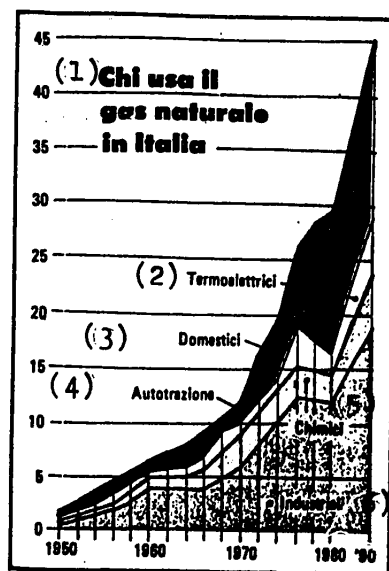
Walter Galbusera, secretary of the UIL [Italian Union of Labor], adds: "We are probably thrown off balance because for once the time-table for the implementation of a large-scale public project has been adhered to." At Snam, however, they say that "The truth is that it is madness to think of widespread and capillary methanization of the South within a year or two; mushrooms spring up overnight, not industries, and not even the use of methane by households--that would take years and years for people to get used to."

But then, what would become of the 4 billion cubic meters of gas that could already be carried by the pipeline in 1982 if the agreement were to be finalized?

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Would it be burned like a torch, the way it once was? We needn't worry; for once someone has been foresighted: Enel, which has already converted the Rossano Calabro power station and three others in Sicily to gas. Even though many experts consider it wasteful to burn imported methane in thermal electric power stations. They could burn up to 3 billion cubic meters per year.



Key:

1. Who uses natural gas in Italy
2. Thermal power plants
3. Households
4. Vehicles
5. Chemical
6. Industrial

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ECONOMIC

FRANCE

INDUSTRY MINISTER, CREDIT BANK CHIEF DISCUSS NATIONALIZATION

Paris PARIS MATCH in French 29 Jan 82 pp 36-37

[Interview with Minister of Industry Pierre Dreyfus and Jean Maxime Leveque, president of Commercial Credit of France, by Marc Ullmann: "Nationalization? Yes, But Why?"]

[Text] The constitutional council is asking the parliament to review the methods of compensating stockholders in companies subject to nationalization, but it has not challenged the principle of nationalization. Thus these actions will become fact. They will be even more expensive, costing almost a dozen billion more, making a total of 40, excluding interest. Are these nationalizations truly useful? The following are the answers obtained from Pierre Dreyfus, minister of industry, a defender of nationalization, and Jean Maxime Leveque, president of the Credit Commercial de France, an equally vehement opponent thereof.

Pierre Dreyfus

[Question] For more than 20 years, you headed the Renault administration. Today you are minister of industry. In this capacity, you have something to say about the way in which the new national enterprises will be managed and in the choice of their chief administrators. What are your hopes?

[Answer] I hope that the leaders of the new national enterprises will be capable of a long-range view. A long-range view is very important, and the mistake made by certain private enterprises--not all of them, fortunately!--is myopia, keeping their eyes riveted on this year's profits without realizing that the development of a working tool is the only true gauge for the future. I was very surprised to find that some private enterprises--once again, not all of them--did not take the trouble to foresee, several years in advance, the development of capacities and the need for modernization, as well as the effects of all of this on the personnel and on costs.

[Question] When the situation is difficult, isn't long-term forecasting particularly risky?

[Answer] It is more difficult and less certain, but nonetheless indispensable. And since you mention risk, I will tell you that a business manager, and in particular an administrator of a national enterprise, should be capable of taking risks.

[Question] The president and the managing director of an enterprise has a simple duty: he is supposed to make a profit for his stockholders. Might not the managing

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director of a national enterprise be torn between what he regards as the interests of the enterprise and what the government believes are those of the nation?

[Answer] The split should not occur, because each national enterprise will sign a contract for several years with the state in which it will commit itself to certain goals. These will obviously not be established without the agreement of the president and managing director. Quite the contrary--it is he who will compose them.

[Question] And who will pay?

[Answer] An enterprise, whether owned by the state or private, has its own self-financing and loan capacity. The special aspect of national enterprises is that the state is the only stockholder. It should act purposefully and underwrite capital increases if it believes that such are necessary for the development of the enterprise.

[Question] Did you yourself, at Renault, ever clash with the government?

[Answer] I do not recall having been in disagreement on goals of a general nature. I dealt with several governments. They were all in agreement that Renault should pursue an investment policy capable of keeping it in the top rank of European producers. The result of this policy was to bring about a substantial increase in the value of that working tool known as Renault. It is true that the intensify of the effort was such that not very great dividends were distributed to the state. This is normal, because the more investment there is, the more limited the obvious profits. The fact nonetheless remains that in the final account, you have a stronger enterprise better able to survive a crisis.

[Question] Do you mean that a national enterprise can afford to sacrifice the present for the future, or profit for investment?

[Answer] I mean that certain enterprises have patrimonial management which leads them to give priority to the dividends distributed. The fact is that this policy works against investment.

[Question] What is your mental picture of the ideal president and managing director?

[Answer] He is a man who knows how to accept his responsibilities, a man of character who does not hesitate to make decisions. He is also a man capable of choosing suitable assistants and creating a team. In some cases, as in the electronics sector, where technological changes are extremely frequent, such a man must also have scientific competence.

[Question] What about bankers?

[Answer] Jacques Delors should answer that question. I will tell you only that in France, the bankers have not always been able to keep up with the industrial effort in terms of taking medium- or long-term technological risks. We have not had bankers play as active a role as those in Germany, the United States and, naturally, Japan. It is possible that things will change with the nationalizations. I am not sure. There is a problem of customs and patterns of thinking in our country.

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[Question] Will the state behave, then, like an ordinary stockholder?

[Answer] Absolutely. The only difference is that it will be less greedy for immediate dividends.

[Question] What about the social level?

[Answer] Any technological change has consequences on the personnel level, both in terms of quantity and quality. The duty of a national enterprise is to foresee these consequences long enough in advance to take the human factor into account. I have always noticed that the trade union representatives want to be involved in these future planning tasks. This increases their confidence in the enterprise and its management.

[Question] Is it easy to inform wage earners that they may have to change employment because of the development of techniques?

[Answer] No, it is not easy. However, it is less difficult to the extent that it has been discussed in advance. I would add that I have never had any complaints about the representatives of the wage earners on boards of directors. They are always ready for discussions in depth on the strategy of the enterprise and they have never been guilty of any leaks of company secrets.

[Question] What is the relationship between a president and managing director of a state enterprise with his board of directors?

[Answer] What is the relation in a private business?

[Question] That varies with the case.

[Answer] That is an excellent response! I would add in conclusion that the implementation of the nationalization, of which the principle has been accepted by the constitutional council, should now proceed without a delay which would be harmful to the enterprises themselves and to the economy of the country as a whole. It should also be carried out at a cost which does not deprive the nation of a means of getting the economy going again through the needed investments.

Jean-Maxime Leveque

[Question] You have headed a private bank, the Credit Commercial de France, for 18 years. This bank is about to be nationalized, and you have never concealed your hostility toward such a step, as well as toward nationalization in general. What is it that you fear?

[Answer] I fear that the weight of the state may become too heavy in our country. In France, the state already controls many activities: the army and the police, that goes without saying, but also education, numerous communications media, the majority of public services and a goodly number of enterprises in the competitive sector--Renault, ELF [Gasoline and Lubricants Company of France], Havas, etc. The stage on which we are embarking will substantially aggravate this state of affairs and raise the risk of taking us from a free economy to a state economy.

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[Question] Do you think that state control will be imposed on the national enterprises in the sense that they will be deprived of any autonomy of management?

[Answer] In fact, I fear that nationalization will become state control.

[Question] Why?

[Answer] Look at what is happening today where the appointment of the managers of the enterprises to be nationalized is concerned. We are told that the president of the republic himself will have the final say on the appointment of these managers. Now, what is the president of the republic if not the head of the political authority? Thus there is a danger of dependence, and this subordination will not stop in the office of the managing director himself. It will spread throughout all of the nationalized enterprises with all that means in terms of conformity, accommodation and even obsequiousness.

[Question] Mr Dreyfus and his successors at Renault and Mr Chalandon at ELF never needed to be obsequious. Why should that change?

[Answer] I do not question the competence of those men who are capable in fact, to a certain extent, of resisting the wave inherent in the system. But there is at the very least a contradiction between the very nationalization of enterprises and the entirely theoretical statement that they should remain independent and separated from the state. My concern is that the state is increasingly taking charge of the French citizen, from birth to death, that is to say from the school to the hospital, including his professional life. Soon more than one out of every three wage earners will have the state as his employer. In my view this is very dangerous, and sooner or later, the political authority will tend to abuse its enormous power. Obviously, I am not claiming that we are living under a communist regime today, but I fear that the merging of the political authority and the economic authority will inevitably push us in that direction.

[Question] Do you really believe that the socialists want to suppress freedom?

[Answer] I only believe that it is more fragile than they think. I also believe that it is unhealthy to place too many powers in the same hands: this leads to temptation. I believe, finally, that the avowed purposes of the nationalization, those which have to do with industrial policy, could have been achieved without this step. Nothing could have been easier for the government than to conclude contracts with the private companies. The state can engage in activity without, however, having to become an owner. I would add that on the strictly economic and financial levels, I am concerned at seeing so many investment programs dependent on the state budget. It is absurd to deprive ourselves of capital contributions the stockholders might make. Right here, at the Credit Commercial de France, I have seen that my stockholders have always gone along with me when I asked them for money for development programs.

[Question] Were the funds they entrusted to you greater than those you had distributed to them in the form of share profits, i.e., dividends?

[Answer] Yes.

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[Question] By much?

[Answer] I do not have the exact figures at hand but I would say approximately twice as much. In any case, what does it matter? It was a continuous trend and I never had difficulty persuading my stockholders of the need to move forward.

[Question] The fact nonetheless remains that in the past 10 years, the public sector has invested much more than the private sector.

[Answer] That is a simplistic description of the situation. The fact is that the major infrastructure programs and funds are administered by the public enterprises. The nuclear program, the telecommunications program and the TGV necessarily require heavy capital. But this means nothing. We are now entering into an era in which more and more enterprises in the competitive sector will fall into the lap of the state. You cannot persuade me that the management of these enterprises is not in danger of becoming less rigorous. Then they will invest unwisely and in the wrong directions and the weight of their extravagance will have to be borne by the taxpayers.

[Question] And will there be such a difference in management? You yourself are an inspector of finance, have worked for the government, and your characteristics do not seem to be basically different from those of a national enterprise manager.

[Answer] You forget that before becoming president of the Credit Commercial de France, I worked in an organization for 12 years, and thus there was plenty of time for me to be drawn in gradually. In addition, I am responsible to a board of directors and not to the government. This is, after all, different. I hope that my successor will be no more tempted than I have been to court political power, and I hope that he will show equal dedication to his business.

[Question] Where the banks are concerned, the advocates of nationalization believe that they have not done their job and have not shared sufficiently in industrial risks, particularly where the young enterprises are concerned.

[Answer] It is true that in a country like France, risk capital is not abundant, and a bank reflects the thinking of the majority of its depositors. To overcome this handicap, we would not have needed nationalization. We could have utilized flexible mechanisms involving guaranteed funds as incentives for innovation.

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POLITICAL

ICELAND

PREMIER THORODDSEN REAFFIRMS POSITION ON NATO

PM171545 London THE TIMES in English 17 Feb 82 supplement on Iceland p 1

[Article by Denis Taylor: "A Big Little Country"]

[Excerpt] Icelandic politicians have developed the habit of being able to ride out contradictory policies. This is not the first time the PA [People's Alliance] has taken part in a government not committed to closing down the NATO base at Keflavik, near Reykjavik, which is operated by the United States.

Dr Thoroddsen told THE TIMES: "The People's Alliance has always been against our membership of NATO and against the Keflavik base. But this government will follow the same foreign and defence policies as before. In Parliament the great majority are for this policy. Our main objectives in this government are fighting inflation and ensuring full employment. We have had success with both these objectives."

The prime minister discussed his reasons for taking a rump of his party government not just with the politically compatible progressives but with the previously unacceptable PA. Referring to the 2 months delay, he said that if Parliament was unable to form a majority government, this could have led to the president appointing a non-parliamentary administration.

This would have been "a very great dishonour to Parliament. I thought it my duty to form this government so that the country could have a parliamentary government, but my party rejected my proposal." He said this had been a cause of great disappointment to him.

Outside, the cynical argument is heard that after a lifetime in politics, Dr Thoroddsen, an unsuccessful candidate for the presidency in 1968, was set on becoming prime minister, with this probably the last chance. Nevertheless, the experience of the break with most of his colleagues for someone who has been in the Independence Party for 50 years, seems to have saddened him.

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POLITICAL

ITALY

USSR ACCUSED OF HAVING SUPPORTED PSIUP

Milan PANORAMA in Italian 1 Feb 82 p 43

[Article by Filippo Ceccarelli: "Moscow Sent Us the Rubles, and We..."]

[Text] And now? "Now I am afraid that a book written 6 months ago for the purpose of making people think will, instead, give rise to controversy and exploitations on one side or the other. But I cannot do anything about it. I don't like the fact that it is coming out while there is so much talk about international interrelationships among terrorists. But let us discuss it quietly, all the same." Silvano Miniati, a Tuscan trade unionist who once was a member of the PSIUP [Italian Socialist Party of Proletarian Unity] and then of the PDUP [Proletarian Unity Party] and now is a member of the national executive body of the UIL [Italian Union of Labor], is worried about the effect the 272 pages of his "PSIUP, 1964-1972, Vita e Morte di un Partito" [The PSIUP, 1964-1972, the Life and Death of a Party] (published by Edimez) might have. The book is a small history of the political group founded by Lelio Basso and Vittorio Foa, Tullio Vecchietti and Dario Valori (the last two are PCI members of Parliament now).

In his book, and not only in the chapter entitled "The Decisive Question of Financing", Miniati wrote, in so many words, that the PSIUP--the socialist leftist party which emerged from the PSI of Pietro Nenni in 1964 in a dispute with the center left--was assisted financially at first and then almost held prisoner by Moscow.

Miniati maintains that the experiment with a new party was also destined to fail in an abrupt manner because, in his words, "Financing was of decisive importance in influencing the formation of the group of national leaders and determining the relationship between them and the rest of the PSIUP, and especially those on the periphery of the party. And then, at least starting with the spring of 1968, it was of decisive importance in exerting a great deal of influence on the party's political line," he says.

PANORAMA said: "In short, Mr. Miniati, you are saying that the USSR had a party of its own in Italy for 8 years."

Miniati replied: "In 1964, the CPSU--that is, the USSR--simply took note of the fact that, whereas it had always had extremely close relations with the left

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wing of the PSI, there was not going to be any left wing in Nenni's party. The PSIUP was born as an independent choice by the socialist left. But the new party had such a need for financial aid that it almost automatically threw itself into the arms of those who provided it: the USSR and the satellite nations. But it was not a case of unselfish political solidarity with them, as many people thought."

"But where were you then?" he was asked.

"In the PSIUP," he answered, "as a leader in Tuscany, and then a member of the board of directors."

"And you didn't notice anything?" he was asked.

"Those were other times," he replied. "Struggles were increasing in the factories and there was a very strong drive against the center left. I was not against the idea of international solidarity, perhaps because I was motivated, like many young people, by the naive idea that who gives you the money is not as important as how you spend it."

"But was it talked about in the party?" he was asked.

"Especially in the corridors," he answered. "Right from the start, in fact, the group of national leaders of the PSIUP decided unanimously that problems of financing should not be subjected to group discussion. While one group of leaders was in power, an absolute fiduciary mandate was given to the secretary, Vecchi-etti, for obtaining money. No genuine collective check was every made on who was responsible for how it was used."

"Any nobody said anything?" he was asked.

"Occasionally, some leader would show concern over the loss of independence which might result for the PSIUP from international solidarity with the USSR and its satellite nations," he said. "I recall that Lelio Basso often asserted that some comrades were being maneuvered by Moscow."

"But did the PSIUP cost a good deal?" he was asked.

"The new party began to function immediately. There were 120,000 members, 101 confederations, 2,900 sections and approximately 500 functionaries. The basic expenses involved in getting started as a new party exceeded 500 million of the lire of that time. Between electoral campaigns and contributions to people on the periphery and to newspapers, the PSIUP's expenses were more than 2 billion lire in the first year of its existence. Funds the party raised itself did not exceed 150 million lire," he replied.

"And was influence exerted?" he was asked.

"It was," he answered, "but the party retained a certain amount of independence until 1968. Indeed, the PSIUP assumed critical positions toward the CPSO on Chinese developments and on the various struggling movements in Africa and South America."

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"And then?"

"The turning point, or the moment when the infernal mechanism which moved the PSIUP toward the outright loss of its independence went off, arrived after the invasion of Czechoslovakia. On that occasion, the top leadership of the party approved a resolution which was almost ridiculous. From that moment on, anyone who took a critical attitude (almost 40 percent of the membership) was immediately accused of antisovietism and trying to wreck the party. In private, the members of the secretariat were very harsh in their judgments of the USSR, but they changed their tone radically in public meetings and official resolutions. Not only that, but, in the following weeks, the PSIUP's position was used to blackmail the PCI, which had condemned Moscow's 'blitz.'"

"Blackmail in what sense?" he was asked.

"There was quiet but insistent talk of the possibility that a group consisting of PCI cadres would join the PSIUP, to put pressure on the Communists in one way or another. However, it is certain that the subjection of the PSIUP began to assume a grotesque quality, beginning in 1968, and that situation continued until 1972," he said.

"That is, until the PSIUP did not succeed in obtaining a minimum number of parliamentary deputies," PANORAMA remarked.

"Yes," he replied. "That spring a congress was convoked which confirmed the end of the PSIUP experiment. Many people entered the PCI, some entered the PSI and others, like me, were left behind. Enrico Berlinguer spoke at that congress, and I still remember a singular lapse which occurred in his speech. 'This breakup and this merger which we desired and you accepted,' he said. A few seconds passed, and then Berlinguer corrected himself: 'Pardon me,' he said, 'which you desired and we accepted.'"

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ITALY

POLITICAL

## REORGANIZATION OF CGIL SECRETARIAT

Milan IL MONDO in Italian 22 Jan 82 p 23

[Article: "Geography Cuts the Carnations"]

[Text] There are 12 CGIL secretaries, but six of them are more so than the others. For two of them, Luciano Lama and Agostino Marianetti, this is not news. Valued above the other directors of the confederation, they have always seen their actions confirmed by the secretariat. The new element, therefore, lies elsewhere: these two generals have been assigned troops and operational powers they have not hitherto had. Consequently, they now exercise direct control over the confederation's international policies (previously entrusted to Giacinto Militello), the IREA center of studies (formerly under the political direction of Bruno Trentin), the press office, and the office of the secretariat, until the last congress the responsibility of Confederal Secretary Aldo Giuntì. The future investiture for the remaining four supersecretaries has apparently not yet been decided, nevertheless the suspicions they have been harboring are well founded: the CGIL secretariat's new structure is separated into departments for the purpose of guaranteeing them, so it is being said, maximum participation in decisionmaking. There is no doubt, however, that, to take an example, in the department of "negotiating and productive sectors," entrusted to Sergio Garavini, Giacinto Militello, and Fausto Vigevani, no important decision can be taken without the approval of Garavini, who thus becomes virtually its chief.

Silvano Verzelli is the most prestigious unionist in the Department of the South and Social Problems, which he leads together with Annalola Geirola and Donatella Turtura. Lastly, Enzo Ceremigna cannot fail to validate his experience, which surpasses that of neo-Secretary Gianfranco Rastrelli, with whom he shares responsibility for the organizational sector.

But the most complicated problem is the matter of naming the executive committee. This is a new organism which is meant to stand above the secretariat but below the committee of directors and the general council--in short, a sort of political office consisting of 40 persons selected from among the outstanding exponents in the categories and regional structures, who would, in effect, direct the confederation. But the question is this: since designations are made on the basis of categories and territorial structures, the socialists would be under-represented in ratio to their quota established in the congress (33 percent), giving the advantage to the communists, with a quota of 60 percent higher than their representation.

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POLITICAL

SPAIN

CARRILLO STRONGLY CRITICIZES CPSU'S STANCE TOWARD PCE, PCI

Milan PANORAMA in Italian 15 Feb 82 pp 34, 36

[Interview of Santiago Carrillo, secretary general of the Spanish Communist Party, by Bruno Crimi. Date and place not specified]

[Text] It must be docile and tow the line. No matter if it is very small. Thus, according to the secretary of the Spanish Communist Party, a Soviet-line splitoff in Italy is certain.

[Text] The Spanish Communist Party, of all the communist parties that have criticized the Kremlin's political line, was the first to be counterattacked by the Soviets; in concrete terms, this brought about a secession by elements sympathetic to the USSR. PANORAMA interviewed Santiago Carillo, secretary general of the Spanish Communist Party.

Question: What is your opinion about the reaction of PRAVDA to the position taken on Poland by the PCI?

Answer: It appears that the USSR is trying to bring about in Italy what is has attempted to bring about in Spain--that is, a splitup and the creation of a Soviet-line Communist Party.

Question: But why didn't the PCE take a stand on the Soviet attitude towards the PCI?

Answer: I don't think that the PCE leadership needed to take an officially critical position. In this, we followed the lead of the PCI, which expressed its opinions through the columns of L'UNITA. Our party organ, "Mundo Obrero," published an editorial condemning the Soviet method. This editorial, which was widely discussed by the party leadership, represents, in some way, an official stand.

Question: Aside from the editorial in "Mundo Obrero," what is your opinion on the excommunication of the PCI?

Answer: I would like to make two observations: 1) PRAVDA limited itself to condemning the PCI without publishing the stand taken by this party concerning the events in Poland. 2) PRAVDA did not evaluate these events.

Question: Simple observations on method?

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Answer: No, the substance is elsewhere. PRAVDA excommunicated the PCI because it could not admit that a communist party would analyze the reasons that have brought about a military coup in a country, like Poland, where power, at least theoretically, is in the hands of a Marxist party.

Question: Aren't there other fundamental problems which brought about the Soviet reaction?

Answer: Yes--the fact of having questioned the political and economic system of the USSR and the countries which imitated it or on which its power structure was imposed. The fact, moreover, of having brought to light the necessity for a democratic renewal of the structures in these cities. To say it clearly: the so-called "democracy of and for the people" does not exist in the Soviet Union or in East Europe.

Question: In your opinion, is PRAVDA's a real excommunication?

Answer: If you think that the international communist movement is considered by the USSR as a sort of church, it seems to me that the position taken by PRAVDA can be interpreted only as an irrevocable excommunication. Certainly, if the PCI backed down, the excommunication would take on the significance of a warning.

Question: Do you think that the PCI is willing to back down?

Answer: I think not. I hope not.

Question: Is the position taken by the PCE on the Polish events, in your opinion, very similar to that of the PCI?

Answer: The differences, in any case, are not significant. Perhaps we have placed greater emphasis on the abyss existing between the hopes brought about by the October Revolution and the present reality in the Soviet Union and in the East European countries.

Question: Do you think that the experience of 1917 was a positive one?

Answer: Yes, because it set off a phase of great changes in the capitalistic structures of the world.

Question: And what do you think about the behaviour of the French Communist Party?

Answer: Quite simply, I think that the PCF, on the ideological and political plane, didn't want to follow to conclusion the obvious consequences that came about after Jaruzelski's coup.

Question: All considered, very little is left of Eurocommunism.

Answer: I believe that the so-called Eurocommunism was the logical evolution of the ideas defended by some European Communist parties: autonomy, independence, democracy, internal debate, unification of progressive forces, the necessity for a

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new international interrelationship. Certainly, few of us remain to defend this type of ideology, at least in Europe. I think it is important to remember, however, that other communist parties, in Japan, for example, and in some Latin American countries, have followed the lead marked out by the PCE and the PCI.

Question: What common elements do you see in the choices of these parties?

Answer: Essentially, the fact that they operate in developed countries.

Question: The PCE is going through a very serious crisis. What are the reasons for this situation?

Answer: At present, as far as the results are concerned, one sees, as I have already mentioned, the attempt to create, here, a Soviet-line communist party.

Question: And the origins of the crisis?

Answer: They lie in the 40 years of clandestineness of the PCE. In the image that in these 40 years, Spanish culture has created of the USSR.

Question: But the party has also been abandoned by many intellectuals of the so-called "renovadora" current, which up to the recent past have sustained the line you represent.

Answer: I acknowledge that some of these "renovadores" have worked with me, have elaborated upon the theoretical principles that now characterize the PCE. But this does not justify their fractionalist behaviour.

Question: In any case, the "renovadores" are not the originators of the attempt to create a Soviet-line PCE.

Answer: Their sympathies, rather, tend towards elements to the right of the PCE.

Question: At present, what are the possibilities for the USSR to promote the creation of a Soviet-line Communist Party in Spain?

Answer: They're fairly realistic, if this attempt comes about in the sectors conditioned, as stated, by 40 years of clandestineness, and which have not been able to adapt to the new sociological and political realities. Perhaps because the PCE has not been able to explain these new realities clearly enough.

Question: If the attempts by the USSR to create Soviet-line communist parties in Spain, Italy and perhaps elsewhere actually take form, won't a situation comparable to that of the Third Internationale be created, in which the PCUS dictated its law to all the communist parties of the "church"?

Answer: The USSR cannot allow itself to return to a situation like that of the Third Internationale, if only because the world situation is completely different from those times. What the Soviet Union wants instead, is a situation comparable to 1946-48, when the Western communist parties were under its sphere of influence, even if they were not part of a real internationale.



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Question: With what aim?

Answer: These communist parties should in all cases and at all times sustain Soviet positions.

Question: But in countries like Spain and Italy, the attempts by the USSR risk resulting in the creation of communist parties which are certainly Soviet-line but have little influence.

Answer: It's time to understand that the Soviet Union doesn't care about strong communist parties in the Western countries. Moscow wants, above all, the communist parties to be docile and obedient.

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GENERAL

ITALY

RESTRICTED 'WHITE PAPER' ON P2 MASONIC TRIAL

Milan IL MONDO in Italian 22 Jan 82 p 20

[Article by Gianni Rossi: "Gelli Votes with a White Paper"]

[Text] It's Gelli's first white paper. It was sent, anonymously and in a package marked "personal", like a Christmas present, to the almost 550 venerable masters, or lodge heads, of the Great Orient of Italy. It is a dossier on the Masonic trial of Licio Gelli, head of the P2, held at Giustiniani Palace in Rome on 31 October 1981. The verdict was expulsion from the Italian and international Masonic order of the much sought-after venerable Master of Arezzo. The white paper contains 12 pages and 2 photocopies, all nicely bound. One of the photocopies is of an article from the weekly magazine L'EUROPEO of 14 December 1981 about a probable agreement between Gelli's supporters and the head of the Masonic tribunal, the republican Armando Corona. The other is the long exhortation of the brother writer Rudyard Kipling entitled "If...". The white paper was sent by a phantom "Coordination" of the constituent groups; "Alliance, Masonic renewal", Giustiniani Palace Defense Group", "Democratic Masonry". Most of the packages were sent from the province of Novara, from the central railroad station of Bologna, and from Sicily.

But within the Masonic order, there are no doubts. Various historians opposed to Gelli told IL MONDO that "The copies of the dossier were printed and mailed by the friends Gelli still has within the order, so as to prepare the already overheated atmosphere for the internal election campaign." The maneuver resembles Gelli's of the spring and winter of 1974/75, when his lodge was dissolved and he was disgraced. But, at that time, Gelli and his "Coordination of venerable masters" (that is how he signed the dossier) had the support and amplification of the Op agency of Mino Pecorelli (who is also on the P2 lists).

What is in the white paper on the Masonic trial of brother Licio Gelli? IL MONDO is in a position to reveal its contents. Basically, it is an accusation, full of veiled threats, against the republican Armando Corona and everyone who "dared" judge and expell Gelli. Furthermore, for the first time, it reveals what went on behind the scenes of the trial and implicates people at the top of Giustiniani Palace (including General Ennio Battelli, presently great master of the Great Orient of Italy) as guilty along with Gelli. According to the anonymous author of the white paper, "Gelli was condemned to expulsion while the real guilty parties went free. We must agree, at least for the moment, on a fundamental point: this trial was and is too serious a matter, given its objectives

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and content, to be dropped after hurriedly expelling brother Licio Gelli, without considering and understanding the reasons for the acts he is accused of, if he ever committed them!!!".

The question is raised in the Gelli dossier as to why the great master Ennio Battelli was not accused by the Masonic Order too, since Gelli continued with his intrigues under Battelli. After listing all the procedural objections made by the defense on behalf of the head of the P2 (5, plus 17 failures to comply with the proper procedure, to the detriment of the defense), the author claims the right to "Enter the rooms of the Palace to find out how Masonic authority was administered". Before "The contemporaries of Gelli" prove themselves free of all responsibility.

Finally, there is a plea to brother Armando Corona, president of the Central Masonic Court, "To have the juridical and Masonic courage to send the sentence back to the court which condemned Gelli, asking it to carry out a supplementary investigation and reopen the trial now, in December 1981, not in April 1982", when the new great master of the 15,000 Italian Masons will have been elected. The Gelli white paper has come out at a delicate time for the protagonists of the internal election campaign (so far three slates of candidates have been drawn up, headed by Armando Corona, Augusto De Magni--a small industrialist from Perugia with neo-fascist ideas--and Giulio Mazzon, a socialist, secretary general of Anpi, the association of Italian partigians). At Giustiniani Palace, they are apprehensively further awaiting even more alarming forms of blackmail from the head of the P2. There is already talk of a second, more explosive dossier correlated with a list of 300 names, so far kept secret.

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END

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