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JPRS L/10449

13 April 1982

West Europe Report

(FOUO 23/82)

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WEST EUROPE REPORT

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TERRORISM

FEDERAL REPUBLIC OF GERMANY

'LEFTIST' PROGRAM OF 'NEW RIGHT' VIEWED

Hamburg STERN in German 4 Mar 82 pp 98, 100, 103, 104, 106

[Article by Ulrich Voelklein: "The Red Nazis"]

[Text] On 26 September 1980, while the Munich Oktoberfest was in progress, a bomb exploded which killed 13 and injured 213 people. It was built and detonated by a rightwing extremist. His name was Gundolf Koehler; he was 21 years of age..

On Christmas Eve 1980, a neo-Nazi shot and killed two customs officials at the Swiss border and then killed himself. His name was Frank Schubert; he was 23.

On 20 October 1981, two rightwing radicals were killed in a shootout with police in Munich. Their names were Klaus Uhl and Kurt Wolfgram. They were 24 and 21 years old respectively.

The trail left by rightwing violence has been getting wider for some time now. Since 1978, 631 rightwing extremists have been sentenced to legally binding prison terms. 40 rightwing extremists are presently in detention pending trial and another 133 are under investigation. But neither the courts, the office for the protection of the constitution, nor the politicians have any idea as yet of why the sentimental, beer-guzzling Right decided to turn militant.

Nor have the scientific studies commissioned by the government been able to shed any light on the growth medium and the political theory peculiar to rightwing terrorism. Two years ago, for example, some Frankfurt scientists looked into the life histories of 212 militant activists—two-thirds of whom were under 30. But pointing to difficult circumstances does not sound convincing. Countless young people come from broken families and have trouble at home, at work, at school and with their girl friends—but they still do not turn to violence.

Which is the reason why Andreas von Schoeler (FDP), the parliamentary state secretary in the interior ministry, calls these findings somewhat vague. "The desire for simple solutions for difficult political problems," he says, "/may/ facilitate a decision in favor of rightwing extremism, its simplistic program of action and its unequivocal stand on who the enemy is."

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The state secretary's interpretation is supported by various public opinion polls.

The Sinus Institute of Heidelberg found that 37 percent of the adult population harbored "undemocratic thinking" and "authoritarian attitudes and 13 percent of those of voting age possess an "ideologically complete" rightwing extremist view of the world. Almost 50 percent of these even said they "would operate underground" if need be.

Frankfurt sociologist Klaus Sochatzy polled 857 young people in the Greater Frankfurt area. One out of four favored lifting the ban on national socialist propaganda. 22.8 percent of those questioned felt that "most of our social problems could be solved by exterminating those unwilling to work, the criminals and the insane." Just about half of the young people between the ages of 12 and 20 raised the demand: "Destroy communism!" and "Put an end to the murdering Reds!"

Nonetheless, the interior ministry in its "Report on Internal Security" last fall could discern "no uniform ideology" of the extreme right; nor do those responsible for protecting the constitution. Heribert Hellbroich, the agency's vice president, told STERN: "I cannot detect anything like a political theory of the Right."

This interpretation comes from an expert; but it is incorrect. Over the past 15 years, a political theory of the New Right has indeed evolved upon which the militant camp followers of the movement—the bomb builders and military sportsmen, the gun fetishists and Hitler lovers—have come to rely. And this rightwing theory originated on the left.

The ideology goes by the name of "people's socialist" and "anti-imperialist" as well as "national-revolutionary" and "ecological." Their primary article of faith is "ethno-pluralism" (the social Darwinist doctrine of the diversity and the intellectual and cultural order of priority among the races). Their slogan is "liberation nationalism" signifying withdrawal from the alliances and opposition to the superpowers.

One of the leaders of the rightwing terrorist scene, 52 year-old Friedhelm Busse, head of the "People's Socialist Movement of Germany" which was banned at long last by the interior ministry in January, is fond of using such slogans. Busse, to whose group Frank Schubert, Klaus Uhl and Kurt Wolfgram, the "dead heroes of the movement," belonged, is hard at work promoting the "first radical-democratic, anti-imperialist state on German soil." For this goal, "we must be prepared to die. There is a storm breaking until at last the Reich will be born again."

A light wind was already springing up in the sixties. At that time, a Hamburg engineering student named Lothar Penz put out "JUNGES FORUM," a hectographed pamphlet. The publication, which later urged its readers to support the NPD, was concerned with establishing the "intellectual foundations of a new nationalism and socialism." This "third way" toward a "new middle ground" between communism and fascism was directed toward the "national rebirth of Germany, toward "organic" non-popular, non-Marxist socialism and an "organic world order."

Penz' little pamphlet was of programmatic importance for the development of the New Right primarily because he surrounded himself with national-socialist ideologues who are still influential today. Aside from Penz, who now is 50, there is the journalist Wolfgang Strauss, also 50 and 39 year-old Henning Eichberg, a historian and lecturer at Stuttgart university.

Lothar Penz still believes in the "third way." As chairman of the neo-fascist "solidarists," he made the case for the New Right to get on the green bandwagon of the ecologists in 1978. "Our point of departure as a third force independent of the right and left," he said, "is to postulate an ecological-biological threat to man."

But just so that the "politically inexperienced Greens" did not get swallowed up by leftwing or rightwing "reactionaries," the "solidarists" were to provide them with a "realistic conception of man" and an "overall national-political program."

Wolfgang Strauss has since joined the Independent Workers Party, a leftwing nationalist organization with a membership of about 1,000. As editor-in-chief of the REICHSARBEITERZEITUNG, he campaigns for the introduction for the Yugoslav model of workers self-administration and has contact with nationalist underground groups in East and Southeast Europe. In the November 1981 issue of the rightwing extremist monthly NATION EUROPA, he came right out with it: "A Luciferian challenge (the partition of Germany) affords us an opportunity to prove our mettle...Only in the direst emergency, only in the direct confrontation with the forces of annihilation do dignity and the will to live of those condemned to extermination arise."

Without a doubt, Henning Eichberg is the most intelligent of the three New Right ideologues and thus the most dangerous politically. The Stuttgart lecturer was first in line for the chair of military history at Muenster university and has been teaching at various universities for years.

While still in school, Henning Eichberg was connected with the rightwing radical German Social Union. As a university student, he had connections to French nationalist circles and it was he who finally acquainted the New Right in numerous articles with the leftwing fascism of the brothers Strasser, with the non-Marxist brand of socialism of Ferdinand Lasalle and the struggle of the syndicalist Irish labor movement to attain the national liberation of their country.

The NPD's National Democratic University League adopted Henning Eichberg's proposals for a university reform and it was Eichberg once again who drafted the program of Action New Right, headed by Siegfried Poeschlmann, the Bavarian NPD chairman, in 1972. Starting in that same year, he became a major influence in NEUE ZEIT, a publication initially put out by Action New Right and subsequently by its splinter group, the National Revolutionary Reconstruction Organization.

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Meantime, it is the magazine WIR SELBST, published in Koblenz, which acts as a sounding board for Eichberg's ideas. "The fear of contacting each other as between national revolutionaries and non-dogmatic communists seems to have been partially overcome by now," an article in a recent issue of this "magazine for national identity" said. "Nationalists have come to understand that nationalism in and of itself is meaningless as long as socialist ideas are not included. And communists can see that socialism without national self-awareness tends to degenerate into an internationalist myth without substance."

Henning Eichberg has substantially contributed to this rapprochement between nationalist socialists and non-dogmatic leftwingers. Thus, the readers of left-wing magazines such as BEFREITUNG, PAED. EXTRA, PFLASTERSTRAND, AESTHETIK UND KOMMUNIKATION or DAS DA--AVANTI are no longer stunned to see one of Eichberg's pieces in print. In last year's double issue 19/20 of BEFREITUNG, Eichberg's rightwing theories on "Nation, Identity and Alienation" covered no less than 24 pages.

He did so very deftly, employing New Left terminology. "The convincing thing about new nationalism," as far as he is concerned is that it "does away with the legitimacy of superstructures and brings self-determination down to the peoples." "In order to unite the German nation anew," said Eichberg, we must "get away from the Vodka-Cola headquarters, from the cities, the colonies" and the superpowers.

By stating demands such as these, the Stuttgart lecturer has every right to expect applause from among large segments of the non-dogmatic left.

Martin Walser, the writer, also wants to "keep the wound that goes by the name of Germany open." Heinrich Boell welcomes the "new patriotism that may take hold among the left and the conservatives both in the FRG and the GDR." Rudolf Bahro feels it is time the "Germans emancipated themselves from the tutelage of the victors." The social democrat Horst Eppler calls the peace movement "a part of the national will for self-determination in the face of the world powers." Heinrich Albertz comes out and says: "I am a German patriot." And Egon Bahr calls anyone "deceitful or stupid" who says that "the German question is dead."

Leftwing Berlin historian Peter Brandt, the son of SPD party chairman Willy Brandt, published a book ("The Left and the National Question") a few months ago which contains language national revolutionary Henning Eichberg may enjoy reading: "The issue of identity points us Germans to the issue of the nation, to national identity...We reject the image of a peaceful order for Europe which lets the division of Germany function as the prime support for a balance between East and West."

When the writer Ingeborg Drewitz issued an appeal to replace the 17th of June holiday which "has become propagandized by day-to-day politics" with an all-German holiday on 18 March--the day when the Berliners chased the royal troops through the streets in 1848--that appeal was signed not only by Heinrich Albertz and ecologist Holger Strohm but also by former commune member Dieter Kunzelmann and rightwing national revolutionary Wolfgang Venohr.

Traditional concepts of right and left tend to disappear altogether when the subject is Poland. The rightwing Springer papers and the business-owned FRANKFURTER ALLGEMEINE feigned understanding for the strike demands of "Solidarity" while leftwingers like Wolf Biermann, sated and safe, sang songs calling for suicidal popular resistance.

The applause coming from the rightwing corner about this new neighborly spirit cannot be overheard. "In the spirit of rediscovering our national identity," the DEUTSCHE NATIONAL ZEITUNG wrote, "many traditional contrasts and reservations are disappearing--not only between the right and the left but also within the conservative camp."

Gerd-Klaus Kaltenbrunner, the conservative publisher of the Herder series "Initiative," is pleased. "The return of young conservatives and young socialists to the idea of being Germans," he says, "is one of the most fascinating signs of the past few years."

Martin Mussgnug, the NPD chairman, extends the right-left arc all the way to the Greens: "A person who thinks in ecological terms automatically takes a position on the right...If some perspicacious leftwingers view the green wave as posing the threat of a rightwing trend in the final analysis, there is no reason for us to dispute them. Onward, national democrats."

The NPD has been pursuing the green line since its 12th party congress in 1978. Even now its program still calls for "giving priority to ecology in favor of the economy;" for being "against nuclear power;" "for national unity," and for "an environment-conscious economy as part of a true-to-life system of order of the collaborative popular community." With this woolly program which is neither able nor willing to hide its Nazi origins, the NPD does not stand alone.

At the "environmental coordination conference" in Lahnstein in 1978, members of the Green Action for the Future, headed by former CDU member Herbert Gruhl, met with Georg Otto, the former secretary-general of the Greens. But the list of participants also included young national democrats from the NPD; the "Association of Pro-Constitution Forces," founded by Erwin Schoenborn, an old Nazi, and Dr M O Bruker, a member of the "scientific advisory council" of the racist "Society for Anthropology, Eugenics and Ethology."

Given all these incestuous green-brown relationships, it is not at all surprising to find Baldur Springmann, a Schleswig-Holstein farmer-ecologist and one of the cult figures of the Ur-Greens, referring to the old Nazi Thies Christophersen (the author of the "Lie of Auschwitz," a book banned to protect young people) a "fine, upstanding man."

Now this closes the circle that reaches from new, old and green rightwingers all the way to the rightwing extremist terrorist scene around Busse's "People's Socialist Movement of Germany" and the bomb throwers of the Manfred Roeder clique now standing trial at Stammheim. The circle has closed more quickly than the protectors of the constitution suspected. By now, Thies Christophersen and the New Right ideologues Penz, Strauss and Eichberg have become tried-and-true fellow combatants of the likes of Erwin Schoenborn and Friedhelm Busse, having

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gone through many engagements together. For his part, Busse has given his activist associate Walter Kexel leave to work on Schoenborn's monthly GRUENE KORRESPONDENZ. And that particular publication included this statement: "Either the world will go national socialist, which is to say green, or it will descend into chaos."

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ENERGY ECONOMICS

FRANCE

ENERGY BUDGET INCREASES 34 PERCENT, DOMESTIC COAL STRESSED

Paris REVUE DE L'ENERGIE in French No 340, Dec 81 pp 657-660

[Text] The Industry Ministry's Energy Budget

We are coming back, here, to the Energy section of the budget of the Ministry of Industry as it was presented in the ministry's information letter.

The ministry's budget aims at meeting several objectives:

- [a.] Support of domestic coal production.
- [b.] Emphasis on the energy saving policy.
- [c.] Assurance of development of new energies.

The total funds amount to 6,563 million francs, or a 34-percent increase, to which are added 455 million francs in special tax levies and 545 million francs in contribution to the hydrocarbon support fund.

Support of Domestic Coal Production

The government's primary objectives find expression in a sizable increase in the subsidy granted to the National Coal Board, which increases from 3.99 to 5.96 billion 1982 francs, or +29 percent.

This grant will make it possible to have production increase from 18.7 billion metric tons to 19.2 billion.

The future of our domestic coal production for decades involves an increase in the nation's coal inventory. Ten million francs will be allocated to this program in 1982.

Finally, it will be necessary to develop technologies for using coal, including gasification methods.

The return of coal in industry entails a considerable, long-term outlay: 66 million francs will be released for this purpose, or +47 percent, in comparison with 1981.

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Emphasis on the Policy of Rational Use of Energy

The priority attached to this action was reaffirmed by Parliament at the time of the debate on energy.

These actions find expression in the considerable increase in the funds of the Agency for Energy Saving.

These allocations will amount to 1 billion francs in 1982, compared with 628 million francs in 1981, or +59 percent.

This budgetary outlay is supplemented by important tax measures also included in the budget bill. Tax deductions for energy saving work by individuals will amount to 8,000 francs per household, plus 1,000 francs for a dependent child.

Finally, the government will set up several new measures in 1982:

[a.] Establishment of an energy savings account for individuals.

[b.] Extension of the interventions by the National Housing Improvement Agency to energy saving.

[c.] Development of incentive mechanisms involving lease credit agencies and projects heavy in investments like conversion to coal or heating networks.

Development of Production of New Energies

The aids allocated to geothermal energy will increase by 41 percent in 1982, reaching 85 million francs. Moreover, the funds of the Solar Energy Commission will increase by 49 percent in program authorizations.

Energy Saving: Agency's Report

The 31st meeting of the Board of Directors of the Agency for Energy Saving, which met under the chairmanship of Poulit, head of the Agency for Energy Saving, made a certain number of important decisions in the field of promotion of energies to replace oil.

An important part of those decisions were made within the framework of the recent procedures established by the agency and whose first report can thus be drawn up at this time.

I. In the Residential and Services Sector

a. Promotion of new technologies: demonstration operations.

Coal:

The Agency for Energy Saving [AEE] is giving increased importance to the problems raised by reconversion to coal by taking an interest in medium-sized heating plants, especially in low-cost housing heating plants.

Thus, the 31st meeting of the Board of Directors of the AEE decided to grant a subsidy of 2,775,165 francs for the second part of an operation demonstrating conversion of 5 existing heating plants in HLM [low-cost housing] buildings.

These heating plants are located at Soisy, Pierrelaye, Coudekerque, Longwy-Haut and Tourcoing.

This use of coal will make it possible to eliminate 2,714 metric tons of oil for a total investment of 14,268,078 francs.

Electric Heat Pumps:

In addition, the agency is financing a campaign of measures involving over 600 HLM buildings equipped with electric heat pumps for a total of 800,000 francs.

This operation is preparing for action promoting heat pumps to replace boilers in apartment buildings, intended for supplementing, in the near future, the Perche 1 operation initiated jointly with EDF [French Electric Company]. It must be pointed out that the Perche 1 operation involves 20,000 housing units and is to be carried out in 1981 and 1982.

b. Investments among large energy consumers (over 5,000 TEP [metric tons of petroleum equivalent]).

The Agency for Energy Saving is granting large consumers a direct subsidy for making investments making it possible to replace oil.

Thus, subsidies have been granted to three operations pertaining to incineration of household garbage with recovery of heat in the urban community of Bordeaux, use of geothermal energy at Acheres and drawing off of steam at the EDF powerplant in Vitry.

The following table gives the status of this procedure to date:

Source	Number of operations	Free Energies at the Source		Investments (francs)	Subsidies (francs)
		Number of housing units	Heat TEP replaced		
Household garbage	7	14,015	42,047	166,947,000	18,756,000
Industrial thermal refuse	2	5,126	15,380	90,918,000	7,840,000
Geothermal energy	11	10,018	30,056	290,000,000	11,993,000
Firewood	2	542	1,627	7,000,000	651,000
		Commercial Energy			
Coal	4	20,566	61,700	143,110,000	12,677,500

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Free Energies at the Source

c. Scattered consumers (less than 5,000 TEP).

The agency's operations are applicable both to large energy consumers and to small and medium-sized consumers.

With regard to operations pertaining to small and medium-sized consumers, the agency has set up networks of qualified professional men (research companies or offices) grouped by federated agencies. They receive financial aid from the agency to encourage and manage networks and for training professional men.

These networks consist of around 18 federated agencies in addition to 2,000 installers which give the final consumer a 400-franc subsidy per ton of oil replaced and 200 francs in the case of coal (commercial energy) at the time the job is performed.

The objective established in agreement with these federated agencies is ambitious: 80,000 metric tons of oil replaced by the end of 1981 and 170,000 tons in 1982.

II. In the Industry Sector

The policy of incentive for reconversion to coal in industry assumed by the public authorities has made it possible to replace almost 1.5 million metric tons of hydrocarbons and it has found expression in the implementation of investments amounting to around 800 million francs.

By itself, the cement sector has made it possible to replace 900,000 metric tons of oil, at the cost of an investment outlay of 540 million francs.

In the other industrial sectors, the recent performance of operations for returning to coal has led to a total investment amount of 240 million francs, corresponding to a replacement of 230,000 metric tons of oil equivalent in the form of hydrocarbons.

Finally, it should be stated that the steelmaking sector has also participated in the national effort to reconvert to coal by using coke as a replacement for fuel oil, without the need for any special investments. The replacement of hydrocarbons thus achieved is on the order to 300,000 TEP.

Research on Energy Saving in Transportation: the VIRAGES Project

The VIRAGES (Industrial Research Vehicle Improving Energy Management and Safety) project was developed by Renault Industrial Vehicles in conjunction with the Ministry of Transportation through a technical committee sponsored by the IRI [expansion unknown; possibly Industrial Relations Institute].

This work was also followed up on by the Ministry of Industry and the DGEMP [General Directorate of Energy and Raw Material].

This project provides for an overall summary leading to a complete rethinking of the design of the top of the line vehicle (38-ton tractor), aiming most particularly at the following:

- [a.] Improvement of fuel consumption.
- [b.] Improvement of safety.
- [c.] Reduction of sound emission.
- [d.] Reduction of polluting emissions.
- [e.] Improvement of the driver's working conditions.

Fuel Consumption Improvement Objectives

Technical solutions aiming at this improvement will pertain to the following:

- [a.] Improvement of performance of the power unit.
- [b.] Reduction of power absorbed by the auxiliaries.
- [c.] Reduction of dead weight.
- [d.] Reduction of aerodynamic drag.

Why Was the Largest Tractor Chosen for This Project?

The following are the reasons for this choice:

1. Because this kind of vehicle, owing to its use intensity, consumes around half the total amount of fuel used by industrial vehicles (from 2.5 tons to 38 tons), although they represent, in number, only about 11 percent in this bracket.
2. Because the techniques applied to this equipment, in very heavy demand) can be transposed essentially to other heavy vehicles (16-ton to 26-ton range).

Therefore, after a period of over 15 years during which the vehicle has been developed in separate steps and successively with regard to the various component parts, it is a question of studying and producing, in the next 5 years, a perfectly homogenous composite vehicle bringing together techniques with the highest performance known at present and capable of being mastered.

Solar Energy: Two New COMES Programs

The Solar Energy Commission [COMES] recently put in effect two important, original programs: one, for the regions; the other, for the DOM-TOM [Overseas Departments-Overseas Territories].

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a. Regional Operations of COMES: ASCOL Agreements

As early as 1980, the Solar Energy Commission wanted to develop programs for the application of solar technologies best suited for regional conditions and specificities.

Therefore, for almost 2 years now, COMES has been undertaking action in the Regional Public Establishments to disseminate, especially in the local collectivities sector, solar equipment that has reached technological maturity. This is true, especially, of applications of solar water heating, heating with wood and straw, and so on.

For this purpose, it is proposing to the Regional Public Establishments the signing of an agreement called Solar Operations Coordinated with Local Collectivities (ASCOL) whose objective is to prepare and implement a program of incentive and dissemination of solar techniques in a given region.

The agreement provides for establishment of a regional solar fund by equal contribution, in principle, by the Regional Public Establishment and COMES to which is added, in some cases, a land contribution by DATAR [Delegation for Territorial Development and Regional Action].

b. The Renewable Energies Development Program in the DOM-TOM

The overseas departments and territories are a preferential application field for renewable sources of energy.

The nature and distribution of energy requirements, the availability of solar energy resources, are, of course, very favorable factors that make it possible to envisage applications overseas that still seem to be less advantageous in metropolitan France, for technical or economic reasons or both. Some elementary energy requirements can be filled especially, in a number of cases, by solar installations: photovoltaic modules and windmills especially.

Therefore, a program for developing renewable sources of energy in the DOM-TOM was prepared by COMES early in 1981. Its objectives pertain to the following:

- [a.] Improvements of material living conditions, primarily in rural areas.
- [b.] Search for greater energy independence of the overseas territories and departments.
- [c.] Development, especially overseas, and promotion of French technologies capable of being exported to countries with a comparable climatology.

This program was established in close collaboration with the secretary of state for the DOM-TOM, from a point of view covering a number of years. This ambition is very important, because achievement of an investment volume on the order of 875 million francs is envisaged during the next 5 years. The energy stake is considerable: 50,000 to 80,000 tons of oil equivalent by 1985. But this is only one aspect of this operation that might lead, toward

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the end of the decade, to the energy equipment of 20 to 25 percent of the dwellings not connected at present to the electricity distribution network.

This kind of effort can be undertaken by private contractors (industrial investments, household solar installations) or public contractors (local collectivities, public agencies) only with the benefit of a large subsidy from the public authorities. This is the subject of the financial provisions in the program, providing for subsidies granted by the regions or territories involved, COMES and the secretariat of state for the EOM-TOM. A total amount of financial assistance of 150 million francs is contemplated, provisionally, for the next 5 years, shared in at the rate of 50 percent, 25 percent and 25 percent, respectively, by the territorial regions, COMES and the secretariat of state for the DOM-TOM.

These objectives, proposed to the local authorities in the spring of 1981, were approved by the pertinent territorial and regional assemblies. They are being implemented within the framework of annual programs, established and managed in accordance with methods similar to the ASCOL agreements.

For 1981, a total financing of close to 16.5 million francs has been set up. It makes it possible to carry out operations like the following:

[a.] Production of electricity for the network, on the basis of renewable resources (small powerplants, gas generators, and so on).

[b.] Rural electrification (scattered villages).

[c.] Energy supply for isolated equipment (telecommunications, signaling, pumping).

[d.] Various thermal applications (solar water heaters, air-conditioning, solar distillation, and so on).

[e.] Accompanying operations (information and awareness, training, knowledge of resources, studies and follow-through on operations).

Geothermal Energy: Successful Drilling in the Paris Region

The Evry Region Intercommunal Study and Development Chamber (SIEARE) and the public development establishment of the New Town of Evry (EPEVRY), this latter acting as delegated contractor, have had a geothermal drilling accomplished located within the perimeter of the New Town of Evry (Canal district). Assistance to the contractor is provided by the Geohat Company and the contracting by the Bureau of Geological and Mining Exploration (BRGM).

The results obtained are very satisfactory, because the drilling provides, in artesian flow, 95 cubic meters of geothermal an hour at a temperature of 70.5°C at the well bottom, instead of the expected 67°C.

The project has received financial aid from the Geothermal Committee in the Ministry of Energy, from the Agency for Energy Saving and from the regional public establishment of Ile de France. The main financing is provided by the SIEARE, with the aid of a loan from the Deposit and Consignment Fund.

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Eventually, it is planned to connect up 2,300 dwellings and public equipment, or a total of over 3,100 dwelling equivalents. This will make possible an annual saving of 3,690 metric tons of petroleum equivalent.

The results of this drilling are very encouraging and make it possible to envisage the initiation of other geothermal operations in the geographic sector of Essonne.

International Cooperation

France-India After Mrs Gandhi's Trip to Paris

On occasion of Indira Gandhi's trip to Paris, the part played by Total in exploitation of the Indian oil deposit at Bombay High was stressed. Development of this cooperation has been planned. Moreover, a cooperation agreement has been concluded with the French Petroleum Institute pertaining primarily to the flexible coupling technology that will be studied at Bombay High and to a survey of the sea floor for which the IFP [French Petroleum Institute] has its own method.

France-China

Jobert, minister of Foreign Trade, took a trip to China darkened by the arrest, at the time of his arrival, of a young Chinese girl engaged to a French diplomat. Aside from these special circumstances, it seems that the Chinese leaders have soft-pedaled their large energy equipment projects or at least that they were keeping up with the schedule by postponing some achievements to unspecified dates. The Chinese Government is not reversing its decision in principle to address itself to France for a supply of nuclear reactors, if it adopts this source of energy, but it is still hesitating on this definite adoption. On the other hand, things seem to be developing more favorably in the oil sector in which ELF-Aquitaine and the CFP [expansion unknown], already operating in China, seem to have good chances of obtaining another permit.

France-Arab Countries

Habid-Deloncie, president, and Baccar Touzain, secretary general of the France-Arab Chamber of Commerce, have submitted its activity program for 1982 to the press. It consists of the establishment of a technical energy committee.

France-FRG

At the time of their meeting in Paris on 29 October 1981, the German minister of Research and Technology, Andreas von Buelow, and the French minister of Research and Technology, Jean-Pierre Chevenement, confirmed their intention to extend and intensify Franco-German collaboration still more both in the bilateral framework and in the multilateral framework.

These intentions involve the following in the field of energy:

- Modern Technologies on Coal Utilization

- Gasification of coal opens up a possible very vast field for cooperation between both countries and a primary advantage for the future.

- Nuclear Energy

Franco-German cooperation is essential for both countries. The two ministers proceeded to exchange views on the respective programs of France and the FRG and on cooperation especially with regard to reprocessing and breeder reactor.

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ECONOMIC

ITALY

DE MICHELIS ON PROPOSED REFORM OF STATE PARTICIPATIONS

Milan IL SOLE-24 ORE in Italian 14 Feb 82 p 3

[Interview with Minister of State Participations Gianni De Michelis by Massimo Gaggi]

[Text] Rome--Within a few days Minister of State Participations Gianni De Michelis will lay before the cabinet his program for reforming the Ministry of PPSS [State Participations] and the three management agencies, and will request that the new presidents of the two agencies (IRI [Industrial Reconstruction Institute] and EFIM [Manufacturing Industry Holding and Financial Company]) whose presidential terms have expired be chosen simultaneously with the passage of the bills that embody his program.

"It's a 'big game' that we're getting ready to play," the socialist minister said, "but the fact is that 1982 is a decisive year for the state participations. If we are not successful in reversing the negative trend of recent years, the entire 'castle' of reform programs that we have built will crumble, with entirely foreseeable consequences. It is therefore essential that these decisive responsibilities be met with a clear-cut, top-level plan and with a precise conception of the kind of public sector of industry toward which we are striving, even if my draft bills are subsequently subjected to lengthy debate and even undergo major changes. I am prepared to discuss all points, but I will not agree to postponements or inaction."

In short, De Michelis believes the moment has arrived to focus the spotlight of reform on the institutional system of a sector which for some time has suffered from a major crisis of management.

In the past 2 years of management De Michelis has initiated many processes (too many, according to his detractors, who rebuke him for having maintained mechanisms over which he is destined to lose control). For example, there is the case of the transfer of Montedison to private ownership, and the incorporation of the public sector of the chemical industry into the American-owned Occidental "corporation" (which led to the creation of the multinational ENOCY); phenomena which inevitably put the two poles of the chemical industry--the public and the private--on a collision course.

In this as in other cases, however, De Michelis has taken advantage of existing differences of opinion to induce the government and the private companies to develop a proposal for the restructuration and rationalization of production. To judge from the results obtained to date from the ENI [National Hydrocarbons Agency]-Montedison deal, one would say that this wager is destined to pay off.

In addition to pressing for increased internationalization of the public sector of industry and for closer collaboration with the private sector (the Alfa-Fiat agreements, the TEKSID -Finsider [Iron and Steel Finance Corporation] negotiations, among others), the minister has formulated proposals for reforming certain key segments of the public sector of industry (steel, chemicals, aluminum). Above all, he succeeded in extracting an agreement concerning these plans from the national government, labor unions, local governments, and private companies by stressing--in his talks with those who from time to time were complaining that implementation of the plans would involve excessive cost, loss of jobs, or introduction of a system of "special surveillance" over management--the danger that entire sectors of industry would collapse.

Indigestible Proposals

Aware of the "high degree of indigestibility" of some of his proposals (despite the fact that they have received formal acceptance) but also aware of the popularity that certain steps toward consolidation have earned for him among the workers of factories whose survival had until recently been in doubt, De Michelis has accordingly begun to crisscross Italy, flying from one plant to another and from one regional FPSS conference to another (the one concluded just recently at Bari is already the seventh).

These meetings--which according to De Michelis are opportunities for dialog and explanation with the workers but which according to his enemies are "talkfests" with political overtones--have in any case thrust him before the public as one of the leading protagonists of the policy of industrial restructuration in the post-1973 era.

Moreover, it is precisely this policy which he cites in proposing a reorganization of the ministry that would give him an entrepreneurial role. "When other political parties attack the proposals to reorganize the ministry--proposals which are largely the fruit of the work of the 'Amato Commission,'" De Michelis said emphatically, "I have the impression that a little too much attention is focused on the person of the minister 'pro tempore' and too little on the structure of the ministry which would in the future have the task of directing industrial policy in the public sector. Similarly, there is great confusion when the question of eliminating the Ministry of State Participations is discussed, because--for example--although a position does exist (let us for convenience call it the "Visentini position") that is favorable to the elimination, pure and simple, of the governmental sector which coordinates the public enterprises, this position can in no way be compared with the PCI [Italian Communist Party] line, which calls not for elimination of the ministry's functions but for their incorporation into the functions of a kind of 'superministry of the economy.' Moreover, although I too believe that steps should eventually be taken to reduce

the number of ministries, this does not prevent a reform of the FPSS system from being enacted in the meantime, irrespective of the affiliation of the agencies that would be called on to manage it."

Whoever imagines, therefore, that De Michelis wants to be a sort of "boss" of the public sector of industry is probably instrumentalizing the minister's position. On the other hand, is this not a misunderstanding caused precisely by the fact that the new law--in addition to strengthening the indirect powers of ministers who in the past have certainly not given a good account of themselves--entrusts these ministers with functions that are characteristic of an entrepreneur?

To counterarguments of this type, De Michelis replies that the problem is not one of personnel but one of situations--situations that we must have the courage to confront. "As for personnel," he says, "there is no question but that we must choose experts to manage industrial policy, as has long been the practice in foreign countries. The real problem, however, is the fact that in all modern industrialized societies a process of change is under way--a process that began in conjunction with the petroleum crisis and that I believe will continue until the end of the century, by which time the new configuration of the world industrial organization should be stabilized.

The Example of Japan

"Under this process," he continued, "a government increasingly assumes the role of an active and direct entrepreneur. In short, the state--through its political and administrative powers--makes decisions that directly involve the structure of industry. The most obvious example is that of MITI--the Japanese Ministry of Industry--which for 20 years has been the heart of the Japanese entrepreneurial community, coordinating that community and promoting its initiatives, and no one in Japan dreams of calling this role into question. Nor is anyone disturbed by the scope of the minister's powers, inasmuch as the real strength of such a mechanism is to be found in the structure of the ministry, which--section by section--controls the various sectors of production."

[Question] Japan, however, represents a unique model of economic and social organization. If the Alfa worker is never going to resemble the Toyota worker, how is it possible to hope that the "miracle" will occur through the medium of bureaucracy?

Again De Michelis responded, gazing into the distance.

[Answer] Let's get it straight. We have to cope with a challenge of worldwide dimensions: in other words, we must either defend the status of "Class A industrial nation" that Italy won in the postwar period, or we must retreat. If we fail it will be very difficult for us to recover, inasmuch as we must contend no longer against single industries but against "nation-systems" based on the Japanese model, which will also be adopted by other industrial powers. To be victorious, however--to become nation-systems in our turn--we most assuredly cannot rely on what I call a "photocopy bureaucracy." There is, consequently, a gap in industrial policy to be filled--filled as quickly as possible--and it

is in this direction that I am moving--to the extent that it is my responsibility--with these proposals for reforming the FPSS. Moreover, many are now following Japan's example: there is the "constituent plan" of the electronics industry whereby the French Government (under Giscard, in fact) prescribed the number--and productive capacity--of the new plants: is that not the decision of the entrepreneur? And isn't the American government acting as an entrepreneur when it turns aside from nuclear power and decides where and how to provide incentives for the use of coal, or when it uses the "antitrust" laws to orient the development of computer communications?

[Question] But if the state is to function as a "superholding company," then of what use are the IRI, ENI and EFIM?

[Answer] Take the case of telecommunications. Whereas formerly the question under discussion was whether Italy should, or should not, have an industrial presence in that sector, the government is today telling us which way we should go, with what systems and with what alliances of companies in Italy and abroad. In this new situation it is clear that there are a few too many "channels." Whereas the financial corporations maintain a significant role as group leaders of homogeneous sectors--even if these corporations must be reorganized because they have evolved a little too much into industrial planning headquarters while paying little attention to their financial function--the management agencies do appear on the other hand to be obsolete. I am a realist and gradualist, however. To attempt to abolish these agencies would be a mistake; it would probably have the effect of undermining the entire reform program. It would therefore be better to restructure them--to streamline them and make them more effective. Let us therefore not forget, in planning for the future, that precisely in the recent months--in developing their postnationalization strategy for the public sector of industry--the French have studied the Italian experience and have derived therefrom the conclusion that it would be a mistake to establish management agencies in France.

[Question] Then what is the rationale for this reform of the agencies--this reform that is causing so much controversy and apprehension?

[Answer] The DDL [draft bill] for the reform of the statutes of the agencies which the government is expected to approve before the end of February is intended to update norms that were studied in the 1930's for the IRI and in the 1950's for the ENI: that is to say, when the problems of industry were completely different from those of today. There are five basic features of the new norms:

1. Decisive "deregulation" of relations between the agencies and the ministry. A thousand little regulations and directives must be abolished--regulations that serve only to create veto powers--while it will be necessary to specify the entrepreneurial decisions that the government can and must make, in keeping with the new institutional functions that it has assumed. In short, it is absurd for me to be able to block every miniscule increase in capital or the establishment of new companies, while the government--once its plan for reform of the public sector of the steel industry has been enacted and it has allocated the corresponding funds to the IRI--cannot then do anything to compel the agency in question

to give these funds in actual fact to Finsider rather than to some other sector of the group. If the IRI subsequently "aligns itself" in accordance with political considerations, that is yet another aspect. Moreover, the responsibility for managing a plan of this type must inevitably reside with the government, which assumes the social and economic burdens and is the counterpart of the EEC in negotiations for restructuration of the steel industry at the European level.

2. Restructuration of the executive organs (executive councils or committees) of the respective agencies, which have gradually become collegiate-type organs in which, however, each member seeks for himself a sectorial specialization that is ultimately translated into a superimposition of initiatives relating to the financial corporations and the companies. It is therefore better to give these organs the structure of an American board of directors, in which each member is in point of fact the group leader of an individual sector of operations. I believe this is the only way to clarify the situation and put an end to the underground warfare that is motivated precisely by the attempts to take over terrain that is regarded as "no man's land."

3. Explicit regulation of agency-financial corporation relations: the agency should have recourse to all instrumentalities that are necessary to control the activity of companies and financial corporations. This greater measure of clarity, however, should also be incorporated into the procedure for the appointment of managers: in the IRI, for example, with the passage of time the executive committees ultimately came to exercise control over all appointments of personnel at the managerial level, including even those of companies in which it holds 1 percent of the capital stock.

Limited Function

4. Reform of the boards of directors of the respective agencies, which boards at the present time--composed as they are of civil servants who represent the various ministries--are compelled to develop a limited juridical function without participating in the basic decisions taken by their respective agencies. It is not quite enough for an organ which in practice performs the functions of a stockholders' meeting. On this point--going beyond the conclusions of the Amato Commission and in harmony with the decisions made in France for the public sector of industry--we shall propose that these boards be constituted primarily of independent experts who have the ability to criticize; representatives of the workers; and representatives of the respective managements of the firms of the group.

5. Lastly, the conferral of responsibility upon the individual managers, who--just as their colleagues in private industry--should have complete autonomy in connection with implementation of the plan that has been established, and who will be evaluated on the basis of the results that are obtained under his management. Someone once said that "if the plan is bad, the manager cannot perform miracles." Very well; on this point one must be firm and precise. The government makes decisions after extensive consultations and is subject to various controls, but if it makes a mistake it will accept responsibility. If the manager opposes these decisions, however, he should get out--precisely as the private manager will who does not agree with his holding company.

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[Question] Does this also hold true for the presidents of the agencies who will be entrusted with management of the plans just enacted for the reform of the sectors in crisis?

[Answer] Yes, it also holds true for them--and especially for them. This is why I have asked that the new presidents be appointed simultaneously with enactment of the reform, and also that the new president of the ENI be appointed in advance, because the government and the parliament--once the reform action has been prepared--must decide who is to be entrusted with the management function. I don't want someone, some day, at the political level to be able to say that the plans were good but the managers not. This does not mean that we must change the personnel now, but whoever is called on to make--or to ratify--decisions must understand the nature of the responsibilities that are assumed at such a critical and dramatic moment in the existence of the state participations.

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ECONOMIC

SPAIN

MEASURES RECOMMENDED FOR AILING AGRICULTURAL SECTOR

Madrid CAMBIO 16 in Spanish 1 Mar 82 pp 34-37

[Text] If 1980 was the year of the record harvest, then 1981 was a bad one for Spanish farms, which have suffered over 20 months of drought. For the first time in the past 16 years, agricultural production fell, reaching the 1978 level. As a result, while half of all Spain's growth in 1980 was from agriculture, poor production last year was the main reason why this country's growth is between .5 and 1 percent.

Agriculture continues to lose ground to industry and services. At the same time farm income is dropping. While income for persons employed was 1,082,000 pesetas in 1980, Spain's farmers earned 434,000 pesetas. In 1981, the situation deteriorated even further, with a drop in farm income of 16 percent in real terms.

Between the years 1979, 1980 and 1981, Spanish agriculture accumulated losses of some 800 billion pesetas, according to agricultural organizations. Consequently, farms experienced a tremendous loss in profits. While in 1972 the Spanish farmer obtained 18.87 pesetas from every 100 pesetas spent, in 1982, he obtained only 1.4 pesetas.

And yet, prices for the products used by farmers (fertilizer, seed, gasoline and fuel, electricity, machinery and feed) have steadily risen, far above the prices actually received for the products.

As a result, farmers have had to go far into debt in order to keep operating. "The farms have literally stopped paying. At the present time, of every 100 pesetas the farmer produces, he owes 70 to banks and suppliers. By the end of 1981, the debt was over 1 billion pesetas," Miguel Ramirez, secretary general of the CNAG [National Confederation of Farmers and Livestock Breeders], explained.

The sector does not have the strength to recover. Private investments have fallen off sharply (from 103 billion in 1975 to 145 billion in 1979, a heavy drop because of inflation), which has prevented any modernization of farms and led to a lower use of fertilizer, select seed, machinery, and so on. As a result, we have an obsolete, aging agricultural sector.

The picture could not be gloomier. The problems had been building up in recent years, when agriculture was the "Cinderella of the crisis." However, the persistent drought has hit that other Spain, where 5 million persons live, very hard.

Once again this year, negotiations on farm prices, begun on 16 February, were an opportunity for agricultural organizations to lay the grave situation of Spanish farmers on the table. Every year, there is a fight between farmers and the administration over a few pesetas more or less in the regulated prices on certain products, but these negotiations have never substantially improved farm income.

Consequently, agricultural organizations have changed their strategy. They no longer content themselves with an increase of one point or so on the 17 products regulated, but rather, attempt to negotiate a series of complementary measures aimed at improving the structure of farms and the standard of living of farmers. From the price policy, they want to move on to what they call the "income policy."

Basically, it is a matter of controlling farmers' expenditures (especially for fertilizer and energy), obtaining money at favorable interest rates and with good terms for the time of repayment, converting sectors experiencing problems (olives, milk, wine, and so on), reorganizing crops in order to prevent periodic shortages or surpluses in production, improving marketing channels and obtaining investments in order to adapt structures and systems of operation.

Last year, with the consent of only two farm organizations (the FTT [Farm Workers Federation] and COAG [Coordinating Committee of Farmers and Livestock Breeders]), the government set an overall price increase of 11.31 percent, plus another 2.78 percent in complementary measures. For this year, the administration's proposal is about 12 percent, plus 3 points in complementary measures. On the other side, the agricultural organizations propose increases of between 17 and 21.6 percent, plus a few more points in complementary measures.

This year, the price negotiations are stymied by two related issues: One, the so-called "Lamo testament," is a report prepared by the previous minister of agriculture defending an increase of 15.6 percent this year. The other is that 1982 is an election year in Spanish rural areas. Elections for the Agricultural Chambers were scheduled for the month of May. In addition, there is the issue of elections to the Andalusian Parliament and countless sectorial elections (regulatory councils, olive and rice growers, and so on). With rural areas in ruins and elections on the horizon, it will be difficult for price negotiations to come to any agreement.

"With an increase of under 15 percent, we cannot begin to talk; it would be degrading," Miguel Ramirez, secretary general of the National Confederation of Farmers and Livestock Breeders (CNAG), the agricultural right, told CAMBIO 16, because the organization had asked for 21.6 percent and additional complementary measures. "We have to recover farm income in a relatively short period of time, by 1984-1985, when we enter the EEC. We need a suitable price policy, a financial and budget policy and a policy of controlling the farmer's input," he added.

In this connection, the CNAG is asking that the Agrarian Financing Law be drafted (It was to have been presented before 30 May 1980), plus money from the budget for subsidies and investments, restructuring of fertilizers (more expensive than in Europe) and price reductions for machinery (which is expensive and of poor quality) and energy (providing subsidies per kilogram of what is produced).

"With the 15.6 percent that Lamo prescribed, we would be at the 1979 income level. We have written off these 3 years, but we must carry the complementary measures further and negotiate programs to restructure sectors in order to prepare from our entry into the EEC starting now," Felipe Gonzalez de Canales, secretary general of the National Young Farmers Center (CNJA), the agricultural center, explained to CAMBIO 16.

The CNJA believes that more resources are needed and that the reorganization of the olive and dairy sectors, already begun, must be pursued. It is urgently necessary to initiate programs to convert to vineyards, fruits and vegetables. "The disorder on the domestic market is very harmful and we should promote the establishment of cooperative companies in order to regulate the market," he adds, without forgetting the need to control spending outside the sector ("up to 7 percent") and the fact that there must be cheap money.

"What we want to do is to negotiate agricultural policy, not only prices. It is a matter of improving farm production and the living conditions of farmers. In order to do so, we should provide direct economic aid, in the case of losses due to the drought, without generalizing. And on the whole, along with a selective improvement in prices, we must open up special lines of credit (cooperatives), set a ceiling for cost increases and restructure our crops," we were told by Josep Riera, from the state executive board of the Coordinating Committee of Farmers and Livestock Breeders (COAG), on the agrarian left.

For this leader of the Unio de Pagesos, the main organization in COAG, it is necessary to support the key sectors that have a greater future. "We must prepare for our entry into the EEC, organizing sectors and allowing farmers to participate in negotiations," he added.

Pere Aiguade, also connected with the Unio de Pagesos and a PSC [Socialist Party of Catalonia]-PSOE [Spanish Socialist Workers Party] deputy in the Catalanian Parliament, explains what he means by an income policy for farmers: "We must negotiate the combined total of what the farmer will receive at the end of the year: a rational price increase, controlled spending, farm reform measures, improved markets and marketing and a series of social measures (agricultural social security, potential farm mutual insurance companies, and so on)."

In his opinion, such proposals are not costly in terms of subsidies and investments: "Ensuring the food supply and agriculture of a country is relatively cheap compared with the funds required by other economic sectors," he adds.

"We must bring farm income in line with what the rest of the Spanish people make. In order to do so in 10 years, we would need 82.5 billion pesetas a year, meaning 5.5 percent in prices. We are asking for an increase of 17 percent, plus 5.5 percent in complementary measures for subsidies to small and medium-size farms (50 out of 100), ranches (40) and forestry operations (10). With these funds, we could buy land, achieve structural reforms and improve marketing, in order to equalize farm income, as the constitution mandates," CAMBIO 16 was told by Andres Picazo, secretary general of the Farm Workers Federation (FTT), a kind of agrarian UGT [General Union of Workers].

The administration and the Ministry of Agriculture also feel that agriculture is not merely a matter of prices. "I believe that the drop in farm income and production is not as great as they say and that 1981 was especially bad because of climatological reasons. The year 1982 will not follow the trend; far from it," Jose Luis Garcia Ferrero, undersecretary of agriculture, fishing and food, told CAMBIO 16.

Garcia Ferrero explains that between 1981 and 1982, some 110 billion pesetas were injected into agriculture: 60 billion (at 7 percent and for 10 years) to invest in farms and improve structures and bring about reforms, and another 50 billion for amortization in 4 years, at low interest. Another 15 billion will be used to reorganize the dairy sector and 10 billion for the olive sector.

Along with the price policy, the Ministry of Agriculture defends an improved structuring of farming ("we must combine farming better with livestock raising, which has become somewhat elite") and organize crops (seasons, upgrading producers associations that market their products, increasing the participation of farmers in the market).

"For me, the most urgent thing is to rationalize the way in which farms are set up. The farmer makes a sacrifice and he always will with the price increases, since the government always tries to reduce inflation. It is a sector in which cost accounting never counts. In order for farm income not to fall, the productivity of farms must improve. This requires greater professionalism on the part of the farmer, in addition to a financial and legislative framework and the organization of crops and production for which the administration will be partly responsible," Garcia Ferrero says.

Here one sees the philosophy of the new minister, Jose Luis Alvarez, who is determined to reduce the paternalism and intervention of the administration so that farmers will increasingly assume their own risks and so that those who follow truly professional methods will survive. This is a proposal that has been criticized by farm organizations consulted by CAMBIO 16, who believe that "one cannot just take a leap into space and this would mean the disappearance of many small family farms."

For the socialists, the government has not finished presenting an agrarian policy, especially since the departure of Jaime Lamo, with whom they had reached a tacit agreement when, in June 1979, the government presented a program of reform for agriculture.

"We must apply the legislation we already have and with which we are substantially in agreement: the Law of Manifestly Improvable Farms (we do not know the extent to which it has been applied), the Farm Income Law (it has not been developed or even disseminated among farmers), the Family Farm and Young Farmers Law, and the regulation for modernization of family farms. With these, we would have noteworthy improvements in agriculture in 3 or 4 years," says Juan Colino, spokesman for the PSOE on agricultural issues and a deputy from Valladolid.

Stabilizing Income

In addition, the socialists defend greater speed in sectorial reorganization (olives, dairy, vineyards, meat), for which the necessary budgeted funds must be made available, and improved organization of production, for which purpose an Agricultural Products Contracting Law has just been passed. "It is a matter of having producers and merchants or manufacturers reach medium-term agreements on production, which would help stabilize farm income," Colino emphasizes.

In addition, the farm spokesman for the PSOE emphasizes professional training (upgrading agricultural extension services), agrarian industrialization ("we must take existing regulations and apply them") and above all, the choice of types of production that complement what Europe produces, in the face of our entry into the EEC.

"We must embark upon a 4-year plan with these issues, increasing the role of professional agricultural organizations, improving statistics and defining the responsibilities of autonomous operators. In this way, we can help agriculture out of the crisis. But political determination is needed and we must be ready to clash with a number of powerful agricultural interests," says Juan Colino.

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

GENSCHER ON EC, NATO, DETENTE, PEACE POLICY

Bonn EUROPA-ARCHIV in German 25 Feb 82 pp 85-94

[Article by Hans-Dietrich Genscher: "Europe's Role in World Politics"]

[Text] Crises, times of decision, are also times of opportunity. Linked to our consciousness of living in a critical time is the awareness that this time is not simply a test of our capacities but also an opportunity for Europe.

Then we speak of Europe's role in international politics, what we mean by "Europe" is primarily the democracies of Europe and in particular the European Community of the Ten, soon to be the Twelve. At the same time, we are always aware that this is not the whole of Europe, that Warsaw, Prague and Budapest--to name just three--are European cities, just as Leipzig and Dresden are German cities. Recent events have made it clear to the world to what degree the peoples on both sides of a divided Europe think of themselves as Europeans. Europe can be divided, but it cannot be separated.

The European Community's Identity

To explore the role of democratic Europe and in particular the European Community in international politics means asking: what is the identity of this Europe? What does it seek to give the world and what is it able to give?

First of all: Europe's present identity in the world is characterized by the establishment of the European Community: as late as the first half of the 20th century Europe was the starting point for two world wars. Today the European Community is a force for peace--not only for Europe as a whole, but for the world.

Second: the European democracies are the region most strongly integrated into the world's economy. Europe, by its nature, is and must remain this: a force for an open world economic system and a force for cooperation in partnership with the developing countries.

Third: the idea that has made Europe what it is, is the idea of freedom. It is this which has unchained the creative forces of mankind and made Europe the birthplace of the modern world.

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Within the idea of freedom, respect for the dignity and the rights of each individual are linked to the affirmation of tolerance and the right of peoples to self-determination. These are the values through which Europe has become a force for the evolution of a world order of partnership--an order which affirms human rights and the plurality of cultures and leads the world's peoples together for cooperation with equal rights for all.

The European-American Alliance as a Guarantor of Peace

The historic task of Europe in the present epoch is an active policy for peace--for its own continent and for the world. In this connection peace and freedom are for us inseparably linked to each other.

The European democracies can only fulfill this task in alliance with the democracies of North America. For only this alliance can sustain the equilibrium necessary for peace in Europe and in the world. A Europe which would look for a morally neutral position, equidistant between the United States and the Soviet Union, would, as a result, lose its weight in international politics and thereby the basis for an effective peace policy. It would become the object and the football of international political developments. It would be madness in terms of security policy to believe that the United States would be wholly or partially replaceable as a factor for security in Europe.

By the same token, it is also true that the international political role and significance of the United States, or even the security of the United States, cannot be looked at without taking account the relationship of Europe to the United States. The Atlantic Alliance is no one-way street. We are all sitting in the same boat, the democracies of North America and of Europe. We in Europe might be more at the edge, but when the boat sinks, we will all go down together. The term--a community of destiny in freedom, in which the democracies of Europe and North America are bound to each other--is no empty cliché; I emphasize this for the decouplers on both sides of the Atlantic.

The European-American alliance is--even more important than the similarity of vital interests--primarily a community of shared values, a community of the will to freedom, to human dignity and self-determination. This community of values explains the vitality of the alliance and distinguishes it from military alliances of the old style.

The alliance is also by its nature an association of states with equal rights. But equality of rights does not automatically signify equality of weight. Europe's equal weight in the alliance, and that means a stronger role in shaping that alliance, can only be attained through a united Europe. President Kennedy's plan for an alliance which rested upon two pillars--North America and Europe--must continue to be our goal today.

It is not the United States which is denying Europe its equal weight in the alliance but the Europeans themselves: through their lack of capacity for unity, through their national egoisms, through inadequate contributions

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to their common security. Anyone who complains of Europe's dependency upon America is, in reality, complaining of insufficient progress in European unification. He would have to demand that the Europeans develop more strongly than ever before their capacity to define their interests jointly, to represent them in the alliance and to orient their defense efforts toward those interests. We cannot look upon the United States as a kind of hired night watchman for Europe and do as little for our own security as we can get away with. Equality of weight is not something that can be obtained from the assurances of others, it has to be achieved through our own efforts.

European Peace Policy Toward the East

For some 10 years now the world's economy has been in a deep-rooted structural crisis: inflation, slow growth and unemployment in the industrialized countries; and in the countries of the Third World stagnation, even regression, of per capita income, crisis of development. At the same time the population in the Third World is growing rapidly. At the same time ecological balance on our planet is becoming ever more endangered.

These global problems, upon whose mastery the survival of mankind depends, would be insoluble if East and West were to turn their forces against each other, if it were to come to increasing confrontations and armaments races and if East-West tensions were to be carried over more and more into the conflicts and problems of the Third World.

The paramount task for peace for Europe and for the world consists today as it did yesterday in working toward a realistic detente policy through the medium of dialog, of arms control and cooperation for the most constructive possible relationships between East and West. The question here is the preservation of peace in the world. And it is also a question of whether the great global questions with which mankind is faced can be resolved.

The policy of detente, begun in the 1960's with such high hopes, has suffered serious setbacks in recent years: Soviet intervention in Afghanistan and Soviet pressure upon the Polish leadership to impose martial law and to stifle the movement of the Polish people for renewal, speak a clear language. The Soviet arms buildup in the 1970's, far beyond what was necessary to maintain its own defensive capacity, is cause for great concern.

Yet the response to these setbacks cannot be to resign ourselves and to allow the world to slip back into a new Cold War. This would be the abandonment of policy, would be nonpolicy. The answer lies instead in a common policy of the West toward the Soviet Union in which our determination to maintain the balance and the demand upon the Soviet Union for moderation is linked with the readiness for dialog and cooperation, for arms control and disarmament.

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- Toward the end of the 1960's the alliance proposed, in the Harmel Report, just such an overall political strategy in regard to the East. This strategy is now, as it was before, correct and valid. It rests upon three elements:

The basis is defense policy, the task of which is to assure a military balance.

- Linked with this as a second element is a policy of arms control which would make it possible to bring the indispensable balance of power down to the lowest possible level through disarmament agreements.

On the occasion of his official visit to Washington, Chancellor Schmidt and President Reagan once again underscored in a joint declaration the significance of arms control as an indispensable component of security policy and confirmed their resolve to continue efforts for effective arms control. The connection between defense and arms control policy was also emphasized in President Reagan's speech of 18 November 1981, which contained initiatives for a comprehensive arms control policy.

- The expression of this policy is the NATO two-track resolution of December 1979. On the one hand, it makes clear the determination of the alliance to restore by the buildup of its own arms the balance which had been endangered by the stationing of the Soviet's SS-20 medium-range missiles. The offer made to the Soviet Union of arms-control negotiations underscores, on the other hand, the West's resolve to hold this military balance of armaments to the lowest possible level so as not to initiate a new arms race.

- Negotiations between the Soviet Union and the United States on the issue of medium-range missiles have begun in Geneva. The alliance's objective is a zero-solution, in terms of which the alliance will renounce completely a rearming with medium-range missiles if the Soviet for its part will completely eliminate their medium-range missiles. The negotiations between the United States and the Soviet Union can only succeed, however, if the Soviet Union has no doubt that if a disarmament agreement is not reached by the end of 1983 that Western medium-range missiles will be put in position. Anyone in the West who proposes the rejection of Western Arms increases or who demands a moratorium will only awaken Soviet illusions and thereby undermine the disarmament negotiations in Geneva.

The third element of the overall strategy in regard to the East is detente policy.

Its first objective is to keep East-West tension under control, to subdue and reduce it by a continuing political dialog. Detente policy in this way is intended to be a balance-of-power policy which, while it remains central, adds an additional element for guaranteeing peace.

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Detente policy does not mean that a state of detente between East and West has already been attained. The concept instead indicates that tensions based upon differing values and goals are a fact and that efforts must be made to control these tensions, to reduce them and, as far as possible, to overcome them.

To this objective of reducing conflicts, detente policy links as a second one, that of developing cooperation between East and West wherever possible for the advantage of both sides and to support and extend the encounters between peoples and the exchange of information.

Economic cooperation also takes on a political function within this concept: It is intended to create a network of mutual interests and thereby stimulate a policy of mutual moderation. Its aim is to support the stability of these relationships.

This network of interests would fail in its purpose, however, if what resulted was unbalanced dependencies by the West which would create problems or even make impossible the assertion of its vital interests and goals. The German Government has always given this aspect its full attention.

The goal of linking a divided Europe through a network of various contacts between people and multipel cooperative undertakings has a fundamental significance for the divided German nation and the divided community of European nations. What has been achieved in this area over the past 12 years must not be placed in jeopardy by any of us.

To speak of detente policy in Europe today means to speak of Poland.

In doing so, we must keep in mind the historical dimensions of the reform and renewal movement in Poland. Within this movement a force has found expression which is not limited to Poland: the will to national identity and to European identity. Whatever the course of future events in Poland, it has already changed the level of consciousness in Europe, both in the East and in the West.

The stresses which have been imposed upon East-West relations as a result of the events in Poland have their origin not in the reactions of the West, as Soviet propoganda would have us believe, but rather in the actions of the Polish military government and the Soviet Union itself.

The West correctly calls attention to the heavy responsibility which the Soviet Union bears. Nonetheless this responsibility of the Soviet Union is frequently seen on both sides of the Atlantic in too superficial a way. We think of the immediate and publically exercised pressures upon the Polish leadership. There is no doubt that this is correct.

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But this is only the top of the iceberg. The basic problem is the Soviet Union's lack of capacity and willingness to respond to the will of the peoples for self-determination and national identity. The West must clearly recognize this basic problem if short lived actionism is not to take the place of political strategy.

From the example of the Polish crisis can be seen the fundamental crisis of the system of communist domination in the East. Communism of a Soviet character has become a system "which allows no genuine democratic participation either in the field of production or in the field of politics and which thus stifles not only freedom and creative energies but also constrains economic dynamism, technology and culture." These are not my words but those of the Italian Communist Party. The open conflict with the Communist Party of Italy reveals the deep crisis of communist ideology which extends even outside the area of communist hegemony.

The basic question is the question of the communist system's capacity for reform. It needs no gift of prophecy to predict that the Soviet Union will only be able to achieve stable relationships with its East European alliance partners if it makes a constructive response to the demands of the peoples of Eastern Europe for reform and the realization of their European identity. Stability in a dynamic world cannot be achieved by trying to solidify by compulsion obsolete structures and an obsolete orthodox communism. The continuing incapacity to respond to the desire for renewal would of necessity lead to instability in Eastern Europe, which in turn would impact negatively upon East-West relationships.

The path to a solution is to be found in the Final Act of Helsinki. What was proposed in this document will not impinge upon anyone's security interests. On the contrary! Adherence to the Final Act by all its signatories could give the whole of Europe more stability, more security.

For the West to turn its back on the Final Act of Helsinki, to abandon the policies of the Conference on Security and Cooperation in Europe would be a grave mistake on its part. A firm stand as a vigorous advocate of the Helsinki Final Act must, therefore, be a central concern of Western policy. We cannot allow ourselves to release the Soviet Union from its responsibility for carrying out the Final Act of Helsinki.

The contravention of the Final Act of Helsinki is the challenge which faces us. We will meet it through our will to peace, freedom and cooperation if we, the West, act in common. The NATO foreign ministers conference of 11 June 1982 at Brussels testified to this will to common action; we cannot allow it to be debated to death.

The Final Act of Helsinki does not demand more of anyone than that he recognize his signature as a binding pledge, yet it does open up to everyone the larger perspective of a Europe which is on its way to a lasting peaceful order. This peaceful order ought, in our view, to be characterized by political, economic and security policy agreements which are solid and lasting as a consequence of their careful conception. We appeal to the Soviet Union to open the way for such a policy which is desired by the peoples of Europe in both the East and the West.

Worldwide Policy of Peace

In our age of global interdependence peace policy is a worldwide task.

European peace policy, therefore, demands that Europe make an active contribution to the peaceful settlement of conflicts in the Third World and demands that it not carry East-West tension over into those conflicts and by so doing make them into permanent conflicts. It is in the light of this background that European support of the nonalignment of the countries of the Third World is to be seen. We perceive genuine nonalignment as a factor for stability and peace in the Third World as well as for East-West relations.

Over and above this, the safeguarding of peace is more than ever also an economic task. The decisive economic questions facing the world today are:

--Will it succeed in maintaining and further developing the open economic system that has been created since the war? Or, as a result of rising unemployment in the industrial democracies, will the forces of a new protectionism gain the upper hand? Recollections of the 1930's, when the industrial democracies, by a policy of autarky and beggar-your-neighbor, drove each other into a long-term depression and permanent unemployment, calls to our minds what is at stake here.

--Further: Will it succeed in overcoming the crisis of development which has so many countries of the Third World in its grip today and will it be able to head the Third World back on to the track of stable growth? In the long run probably no question is more decisive for the maintenance of peace than this one. For it is clear that a world in which the gap between poor countries and rich ones continues to widen and in which the number of people suffering from hunger continues to rise in the developing countries--such a world could have no peaceful future.

The European Community is the largest economic area within the industrial triangle of the United States-Europe-Japan. It is the most important trading partner of the Third World and the Third World's most important source for development assistance. This demonstrates the role and the importance which Europe holds for the further course of international economics. In its own interest Europe must master this role, for no region is more dependent upon a stable, prospering world economy. Therefore I look with great concern upon the pressure for protectionist measures within the European Community. The Federal Government will resist this pressure with all its strength.

Finally, as a third point, the task is imposed for a worldwide policy of peace, for a global, mutually dependent community of states to create a global order of stable cooperation.

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In the past, international order meant the dominance of some and the subservience of others. The order of the future, on the other hand, must and can only be based upon the equality of rights and the self-determination of nations and peoples.

All nations today are dependent upon assured access to the markets of others, to the technology of others, to the raw materials of others. They require growth impulses through the growth of others, they need cooperation for the protection of the endangered ecological balance. None of this can be attained through power politics. Force can only achieve one thing any more--chaos. Stable cooperation, on the other hand, can only come to pass through an order to which all nations voluntarily adapt themselves, because all nations will recognize it as just and as contributing to the maintenance of their own interests.

It is also clear at this point what political and intellectual contribution Europe can make to the creation of such a world order of partnership: European culture carries within it the possibility of advancing beyond its own exclusiveness, of transporting itself into the modes of thought of other cultures; in short, to relativize itself. This early acquired capacity--here I would point to the early Greek enlightenment of the 5th century B.C.--has today reached full maturity. To think and to act as a European means rejecting all fanaticism of exclusiveness, every form of ideological striving for dominance, every form of totalitarian standardization of the world.

We Europeans do not believe that mankind is on the way to a European world civilization or that modern science and technology can only be acquired through the demise of the great non-European cultures or that mankind in its totality is to become European. In fact, the neo-Confucian cultures of the Far East are proof of how successful even non-European cultures can be in building a modern industrial society.

We Europeans want one world but we do not want a uniform world. We believe that the world will need a plurality of cultures even in the future, if its creative forces are not to be exhausted. We are, however, convinced that three basic values of Europe must be achieved universally: human rights, self-determination and tolerance. Only upon these can that peaceful world of multiple cultures, each endowed with equal rights be built upon whose evolution the future of mankind depends.

We are all aware how far removed our contemporary world is from such a world of partnership. But we should not ignore the signs that point to such a future.

We can observe everywhere in Asia, Africa and Latin America the trend to create associations of equally entitled states on the pattern of the European Community. The most advanced of these is ASEAN, the association of Thailand, Singapore, Indonesia, Malaysia and the Philippines; existing or planned regional associations can also be found in Africa, the Arab countries and in Latin America.

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By means of such associations the countries of the Third World are strengthening their political independence. By the creation of sufficiently large economic areas, they are at the same time making possible their own independent development.

The European Community sees in these associations an important factor for stability in world politics and it endeavors to support them as far as possible. It has concluded an agreement of cooperation with ASEAN, it is linked with more than 60 countries of Africa, the Caribbean and the Pacific through the Convention of Lome and it has initiated cooperation with the countries of the Arab League and the countries of the Andes Pact. These forms of interregional cooperation between industrial and developing countries are paths that point to the future for the further development of equal, partner-like relationships between countries.

The European Community as Goal of the Unification Process

Europe can only fulfill its task for freedom and peace if it continues resolutely on the way to unification.

The establishment of the Community of Six in 1958 was, in the full sense of the word, an event of world-historical importance. It gave the European democracies a completely new role in the world. We have progressed since then from the Community of the Six to the Community of the Nine and the Ten and, I hope soon, of the Twelve.

From this basis of the economic community, we have gone forward to the development of a political community: a European Union. With the introduction of direct elections to the European Parliament we have taken a decisive step toward a democratically constituted community, a community of citizens. During the 1970's we achieved progress in developing a common European foreign policy which no one would have thought possible at the end of the 1960's.

At the same time, we are aware that all of these achievements are threatened today by the deep economic structural crisis within the community. Ten million unemployed, weak growth and inflation, too many obsolete industrial plants, danger of losing economic competitiveness to the top-ranking industries of the United States and Japan, large deficits in the balances of trade and payments: this is today the economic reality within the community. The community is threatened with the loss of its economic basis for an effective policy both at home and abroad.

A large percentage of the unemployed is under 25 years of age. Ought we really be surprised that among young people today anxiety and pessimism, alienation and withdrawal from responsibility are spreading?

The countries of the community can only master this severe economic challenge in common. They can only master it if they continue to preserve and foster what has already been accomplished within the Common Market because only

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the European market has the necessary dimension to provide a basis for a top-ranked European industry from which it can become competitive in world markets. And they can only meet this challenge if they overcome the structural change through a common European strategy for growth and for combating unemployment and inflation.

In the light of this challenge it is a tragedy that, at the meeting of the EC foreign ministers on 25 January 1982, an attempt should fail for the third time to fulfill the mandate of the Council of Europe of November 1980 for fiscal and agricultural reform. Is Europe to become bogged down in the very middle of its unification process?

However decisive it is for the future of Europe to solve its economic problems, we must be aware of one thing: We will only find the strength to solve these problems if all of us keep in mind the vision of European unification. As in our national policy, so too in European policy can the power to reach a consensus and the balancing of interests only arise from the consciousness that we are a community with a common destiny.

At the beginning of the European Economic Community there was a genuine enthusiasm for a politically united Europe. It was a grave mistake that all of us in Europe have allowed this political elan from the time of our beginnings to trickle away and that now, having grown smug, we rely instead on the theory that the hard facts of economic necessity will automatically bring with them political unification as well.

We recognize today, in a time of economic difficulties, this misperception all too clearly. Economic necessities are even more serious today than ever before. But they do not unify, instead they tempt us to push even further apart and to lead us up the blind alley of short sighted national egoisms. As a result of the unceasing debates over agricultural prices and subsidies, net balances, unfair competition and national subsidies, etc., the European Community is in danger of losing the support of its citizens.

All of this means that we must give new life to the idea of Europe, to the idea of European unification.

Europe's identity, Europe's role in the world as a force for peace and for the progress of mankind--this is a Europe which has something to say to our young people, to which they could commit themselves. It is our fault if instead of this, we have shown them a Europe that seems to be comprised of unending, fruitless quarrels over petty national interests--petty interests in any event when we look at the magnitude of the real challenge before us.

It is the goal of the German-Italian initiative for a European Act to give new life to the idea of the political unification of Europe. The act is intended to summarize what has been accomplished to date in all areas of the process of European unification in a political document of

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major importance. It is intended also to propose new areas for European cooperation. Most importantly, however, it is intended to orient all European efforts and negotiations once again toward the great goal of political unification, the goal of European Union.

The world needs the political, economic and intellectual impulses that a strong European Community can generate. In turn the community needs the capacity for action and decision in order to preserve and develop those conditions of life in Europe and in the world, within which it can survive and flourish in freedom.

Europe is faced with the alternative of either helping shape change in our world of transition, or of simply being a passive spectator to it.

To participate in shaping this change means first of all to unite Europe so that it is capable of taking action for human dignity and self-determination, for peace and for freedom.

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

NEW CHARGES AGAINST KIEP, LAMBSDORFF IN DONATION SCANDAL

Hamburg STERN in German 4 Mar 82 pp 242-245

[Unattributed article: "The Bonn Scandal"]

[Text] In connection with the investigation of the Flick conglomerate, a shadow fell on some prominent government officials in Bonn. But now, new accusations are also being leveled against CDU politician Kiep.

Chancellor Helmut Schmidt, a former first lieutenant, recalls an old military axiom: "Never surrender a position under fire." Unimpressed by press stories calling for the resignation of government ministers Otto Graf Lambsdorff (FDP) and Hans Matthoefer (SPD) who had been accused of corruption, Schmidt rose to the defense of his sorely pressed associates. "My trust in these men has not decreased one bit," he said. "When one is under attack, one needs to rely on the solidarity of one's neighbor."

Employing this type of hard-hitting forward strategy, Schmidt wards off an attack that might well finish off the SPD/FDP coalition which has undergone a good deal of strain over the past few months. Ever since it became known that the Bonn public prosecutor's inquiry into possibly illegal party contributions by the Flick conglomerate had turned into an investigation of leading political figures on the national and Land level suspected of "having accepted favors," the Bonn governing coalition was faced with a further severe loss of confidence. After all, "it is devastating, of course," as FDP general secretary Guenter Verheugen put it, "to get involved in a bribery situation."

Schmidt's decision to stick it out was approved by his coalition partners. Last Thursday evening, FDP chief Hans-Dietrich Genscher learned of a new development in the donation affair at a campaign rally in Pinneberg in Holstein where, over a bowl of sorrel soup and a glass of dry white wine from the Palatinate, he tried to get people to vote for the FDP at the communal elections on 7 March. There, he got a telephone call from his party spokesman, Herbert Schmuelling, who sounded excited. "In a situation like this, one has to stay real cool," he told Schmuelling. "I thought all along that the prosecutor's office would get moving again after Ash Wednesday."

He was equally composed at the chancellor's crisis council meeting on the following day. He said he was against dismissing Matthoefer and Lambsdorff right away. "That would look like an admission of guilt," he told Schmidt. Interior minister Gerhart Baum (FDP) rose to the defense of the leadership,

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telling STERN: "Even cabinet members have a right not to be publicly executed before the courts have ruled--not only people like Horst Mahler and Astrid Proll."

In fact, those under suspicion have denied any wrongdoing. Anyone trying to pin something on him in connection with the donation affair, said Matthoefer, "is lying." Manfred Lahnstein, the head of the chancellor's office who is also under investigation, said coolly: "I did not even get a Christmas card from Flick; much less anything else." Otto Graf Lambsdorff, too, put on a show of strength. "I resolutely deny these accusations," he said. But among his inner circle including FDP spokesman Schmuelling he already spoke of his apprehensions some weeks ago. "If the Flick business gets out," he said, "I am done for."

This now appears to be the case. Among those involved in the investigative tangle either as donors, recipients or accessories, there are other influential personalities in addition to the three prominent ones: Lambsdorff's predecessor Hans Friderichs, who now heads the Dresdner Bank; Rudolf Eberle (CDU), the economics minister of Baden-Wuerttemberg; Horst-Ludwig Riemer, presently an FDP member of the Bundestag and a one-time economics minister of North Rhine-Westphalia; Friedrich Karl Flick, the head of the firm as well as Eberhard von Brauchitsch and Manfred Nemetz, his top managers.

All of these were involved in the DM 840 million tax gift. The treasury waived the tax payment when the Flick conglomerate sold its 29 percent share in Daimler-Benz AG in 1975 for about DM 2 billion and invested the profits in various domestic and foreign business ventures. The necessary special permit for tax exemption was prepared by then economics minister Hans Friderichs and signed by Graf Lambsdorff, his successor, with the approval of finance minister Hans Matthoefer. As the ministers concerned at the Land level, Riemer and Eberle had given their approval earlier on.

The prosecutors believe they can prove that the Flick conglomerate showed its gratitude in the form of party contributions. The investigators picked up the corruption trail more or less by chance in the course of looking for proof of tax fraud which had led them to the Duesseldorf front offices of the Flick conglomerate between 11 and 25 November 1981. The investigators found and took along 100 file folders and some 150 contribution registers.

The dynamite was contained in "daily receipts" and "confidential memos," namely letters to parliamentarians, lists of names of top officials and ministers. Franzbruno Eulenkamp, the prosecutor in charge of the investigation, was stunned. "A very first look at the files," he informed North Rhine Westphalian minister of justice Inge Donnepp just 5 days after conclusion of the search, "has brought out the perpetration of crimes as per paragraph 331 ff of the criminal code (accepting favors)."

There were no further written reports submitted by Eulenkamp. After STERN disclosed the financial tricks employed by the political parties (in its No 2/82: "The Black Treasuries of Bonn") the state prosecutor's office in Essen was instructed to seek out STERN's informants. Fearing further indiscretions, FRG Minister of Justice Juergen Schmude and his North Rhine-Westphalian counterpart, Inge Donnepp, were given oral reports only on the investigation into the party donations affair from then on.

What the two ministers got to hear in the weeks that followed became more and more explosive. It started out with "certain indications" that soon turned into solid suspicion. Thus, on 24 February, the state prosecutor's office initiated an official inquiry on suspicion of bribery and so informed the presidium of the Bundestag as well as those involved.

The oral reports, usually delivered by Eulenkamp and his immediate superior, Cologne general prosecutor Walter Steffens, provided Schmude and Donnepp with far more detailed information. The investigators based their findings on documents confiscated and testimony given at the Flick conglomerate. In the course of the investigation, new suspicions arose to the effect that there might have been obscure cash transactions. Prominent emissaries, dispatched by the CDU and the FDP, were stated to have gone to Flick's with suitcases and to have received more than DM 100,000 in cash in each instance. The tax investigators say that the firm disposed of black treasuries. At present, the question of where the money came from that was fed into them is still a matter of conjecture.

There may have been a black source in St Augustin near Bonn, which is where the Catholic "Steyler missionaries" are located whose holdings are administered by "Soverdia Society for Public Welfare Ltd". The investigators discovered that Flick had given about DM 10 million over the past 10 years to this group and had gotten receipts which made the payments tax deductible. Of this money, DM 8 million returned to Flick through a back door.

Once the "confidential memoranda" prepared by Flick's management were sifted systematically, they turned out to be a veritable goldmine. They showed that the firm made intensive efforts to work on, as von Brauchitsch put it, "political decision makers." For this purpose, an office was opened in Bonn which was shut down at the end of last year, however. In the meantime, the tax exemption caper on the profits from the Daimler-Benz stock sale had already succeeded for the most part. It was Manfred Nemitz who acted as chief lobbyist. Officially, he draws his salary as a member of the board of Flick subsidiary "Chemical Process Engineering Project."

The Flick affair has made Otto Graf Lambsdorff the target of an investigation for the second time within a year. In May of last year, an investigation was launched against him "for suspicion of continued tax evasion" during his tenure as treasurer of the North Rhine-Westphalian FDP. For years, contributions from industry totalling millions were said to have been funneled to FDP accounts via supposedly tax-exempt associations and professional organizations (which the state prosecutor referred to as "laundering operations") as well as liberal groups abroad without being reported for tax purposes.

When a search was made at one of these spurious FDP organizations, the investigators found a photostat of a document issued by the Swiss bank of Ernst & Co in Bern for a numbered account. The handwritten notation on it simply said: "124,100 Norf." The account stood at DM 325,000. The bank statement is dated 1980 at which time Lambsdorff had already held his Bonn cabinet post for a good 2 years. In a 23-page summary dated April 1981 (and marked Js 114/81), state prosecutor Gerd Pohl concluded: "Both the name Norf (where he used to live) and the handwriting itself point to Dr Otto Graf Lambsdorff."

There was one more time that the state prosecutors ran into Lambsdorff's name. When they searched the premises of the "Citizens Association" in Cologne, another of the collection points for contributions, the investigators confiscated a memorandum prepared by the president of the association which contained incriminating evidence on Lambsdorff. The minister had called him on 1 December 1979 to ask whether the donation "intended for him by our friend Koehler" had already come in.

In the meantime, the investigators think they know that this refers to Herbert Koehler, a CDU Bundestag deputy and ranking member of the Iron and Steel Association from Duisburg. And it is this very branch of industry which receives subsidies from Bonn which run into the millions.

Walther Leisler Kiep, the CDU treasurer who heads his party's slate for the Hamburg city council elections, also faces new and additional woes. When letters soliciting money that bore Kiep's signature were found, Uwe Luethje, Kiep's plenipotentiary at CDU party headquarters, said the blame was both his and a signature machine's. The letters contained an incitement to tax evasion. Luethje's statement could have absolved Kiep of any responsibility in the matter.

But the investigators now think they have a better idea. They have separated the wheat from the chaff, so to speak--the automatic signatures from the real ones. It now appears clear that a letter addressed to an industry official in Meerbusch near Duesseldorf named Langen, for example, is "the real article." In the letter, Kiep asks Langen, who lives just a stone's throw away from Kiep's mother-in-law and from big spender Friedrich Karl Flick, not to transfer his intended DM 70,000 contribution directly to the CDU account but to a citizens association both for "technical" reasons and in order to have it qualify as a tax deductible expense.

The investigators have managed to unearth a great many genuine Kiep signatures from among the hundreds of fund-raising letters. And this has made Kiep a target of the investigators once more--who are not concerned with political responsibility but with criminal code violations.

While ever darker clouds are gathering over the heads of economics minister Lambsdorff and CDU treasurer Kiep, at least two of Bonn's leading political figures who are under suspicion of corruption in connection with the Flick affair may breathe easier, at least for the time being: finance minister Hans

Matthoefer and his former state secretary Manfred Lahnstein, who now runs the chancellor's office. Thus far, the state prosecutors have been unable to find proof that the two social democrats accepted money that went into the party treasury or their own pockets.

Lambsdorff, too, is as convinced as ever that he will not be liable to prosecution. Commenting on the turmoil created by the state prosecutor's investigations, FDP chief Genscher was quoted as saying: "Heaven help them, if these investigations lead to a dismissal of charges. Then, this entire unparalleled process would have to be discussed all over again."

The question then is whether this donation scandal will wind up in a crisis of the state or merely in a crisis of the state prosecutor's office.

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POLITICAL

ITALY

BERLINGUER ON PCI LINKS WITH SOCIALIST PARTIES

PM311049 Turin LA STAMPA in Italian 30 Mar 82 p 1

[Interview with PCI Secretary General Enrico Berlinguer by Paolo Garimberti: "Understanding With Socialist Parties Now Fundamental to Our Strategy"]

[Text] Paris--Is Eurocommunism, born in Leghorn in November 1975 with the Italian and French communists' joint document, now dying in Paris with the PCI and French PS joint document? Enrico Berlinguer, who meets today with PS Secretary Lionel Jospin and tomorrow with President Francois Mitterrand, but who will not be meeting with any communist leaders, denies that he has come to Paris to ratify the end of Eurocommunism and to replace it with the Euro-left.

"I would not raise such formal and subtle terminological issues," he told me in a conversation during the journey to the French capital. "Euro-communism is not a word coined by us, but we have always used it--specifying, however, that it should also be regarded as a quest for cooperation with other political forces. So if the Euro-left means cooperation with other parties, not just communists, then it suits us. The fundamental principles of the declarations on Eurocommunism--such as the ones made in Leghorn or Madrid--are still valid, but cooperation with the socialist forces is now becoming an integral part of them."

[Question] Does this mean that the contraposition between Eurocommunism and Eurosocialism is disappearing?

[Answer] As far as we are concerned, at least, there is no longer any contraposition--only differences within a framework of a joint quest in the advance toward new prospects of socialism.

[Question] On what points do the major convergences with the socialist parties exist?

[Answer] There are two fundamental points of contact with the French Socialists. The first is that the PS, like us, is talking about a third way, partly in different terms but partly in similar terms--the unviability of the path pursued in Eastern Europe, the need to make a break with

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capitalism and to transcend traditional social democratic paths. The second point is the new internationalism, which must not be restricted just to communist parties, but which must embrace other forces, especially in the developing countries.

[Question] What about other European socialist or social democratic parties?

[Answer] With the Germans the major points of contact concern the detente policy. With the British Laborites there are convergences both on international issues and on how to advance toward a new kind of socialism.

[Question] On which issues, however, are there major divergences with the European Socialists?

[Answer] I would draw a distinction between socialist and Social Democratic parties. Indeed, in the Social Democratic parties' policy we have not yet seen a determined abandonment of the old traditional policies, which we consider definitely obsolete in view of the crisis in the Western world.

[Question] Would the PCI agree to join the Socialist International, perhaps as an observer?

[Answer] We do not want to join any international organization. One can develop good relations with other parties without belonging to organizations. We are opposed to all organized forms of links within the workers' movement. And we also believe that organized forms of links are no longer suited to the times.

[Question] Mitterrand once said that he considered himself as the French Berlinguer. Do you consider yourself the Italian Mitterrand?

[Answer] Did he really say that? Even if he did, it was undoubtedly a quip. Let us leave personal comparisons aside. The fundamental political issue is that we Italian communists consider ourselves the fundamental force that should perform leading role in building in Italy a leftwing alternative similar to the one established in France with the leftwing forces' victory.

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CSO: 3104/162

POLITICAL

ITALY

PARTY LEADERS PREDICT OUTCOME OF EARLY ELECTIONS

Milan IL MONDO in Italian 12 Feb 82 pp 14-15

[Article by Roberto Ippolito: "Forward the Laymen"]

[Text] In the event of anticipated elections, who would gain votes? IL MONDO asked party experts. PSI, PRI, PLI, and PSDI seem to be ahead, but....

The PSI has already won the election. To be exact, it has won if you add up the results of 117 local elections held during the 12 months of 1981 to replace communal councils and commissary officers whose terms had expired. These results have infused the socialists with a soaring optimism for what would be the outcome in the event of an anticipated national vote, and hang heavily over the two majority parties.

Not only PSI politicians are convinced of mounting public opinion in their favor: a poll conducted by IL MONDO among leaders of all the parties concedes them a victory if national elections were to be held today. In the average assessment, the PSI would gain 3.1 percent; not one interviewee believes its percentage would drop. Its success would be shared by the PRI (+1.1 percent) and the PLI (+0.8), both seem unanimously to be on the rise. Even the PSDI is thought to be moving ahead (+0.6), although this prediction is not shared by everyone. The expense would be paid by the two major parties--DC (-2.3) and the PCI (-0.5)--as well as the PR (-1.3), MSI (-1.3), PDUP (-0.1), and NSU (-0.1).

The 1981 Tally

The politicians queried based their estimates of a hypothetical vote held 2 years ahead of schedule on the outcome of the partial elections last year. Sunday after Sunday every month except during the summer, the voting population demonstrated a shift toward new political orientations. By the year's end, the Christian Democrats and Socialists read the statistics differently, particularly after the minister of the interior added up the figures, which IL MONDO is now able to publish. The socialists are exultant: "All the partial elections during 1981 indicate that the PSI is surging forward by 4, 5 or 6 points, and the first 1982 local elections confirm the trend," declares Giuseppe La Ganga, socialist director of local organizations.

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The DC is not ready to second his optimism. "The data must be interpreted with care," says Angelo Sanza, undersecretary of the interior. "The DC's losses are contained. We must bear in mind that the figures cover the whole year. In the first few months we encountered difficulties, but after our national assembly, we recuperated, as the most recent local election returns prove."

A summation of the 1981 returns will help us to understand better the attitudes of the parties, all of them officially opposed to anticipated elections. While the DC, PCI, and PRI prefer not even to think about such a possibility, the PSI, PSDI, and PLI openly boast that they have nothing to fear. Indeed, the 117 local elections, in which 5.52 million people cast their votes, offer a significant indication of how the nation would respond today at the urns. The returns in Rome last year, however, do not affect the overall estimates since the capital is one of the PSI's minor growth districts.

Political Humors

In its poll on the response to a hypothetical anticipated election, IL MONDO did not enquire into the parties' views on the advisability of such an emergency but asked their interviewees instead how they see the public's political attitudes evolving. Exponents of the two major parties are opposed to dissolving the chambers, and agree on the need to establish a new premise. Both Paolo Cabras and Emanuele Macaluso, DC and PCI leaders respectively, are convinced that more voters than ever would stay away from the urns. Says Cabras: "People are worried about the international situation and the economy. They do not realize that the disputes between the parties and party aspirations to take over the reins of government would end up by dissolving Parliament for the fourth time. We would see fewer Italians casting their ballots, and this would probably penalize the mass parties more than the others." Macaluso thinks that "Abstention would be greater because more than ever the public distrusts the institutions and considers them incapable of carrying out their legislative duties. What is more, people are convinced that nothing would change very much."

Roberto CiccioMessere, radical, takes a different tack: "The results of an anticipated election would vary according to how we approach it. If enough candidates were to come up with a viable alternative to the DC program, I think they would capture the majority." Here are the predictions, party by party:

DC

In their forecasts for IL MONDO, the heads of all the parties see the DC definitely in decline except Christian Democrat Paolo Cabras, who declares that the party's renewal has attracted new adherents. In the opinion of Oscar Mammi, of the PRI secretariat, the DC does not stand to lose much: "The party is recovering, and this will condition a good showing for the PCI." PSDI vice secretary Ruggero Puletti thinks otherwise. "The DC's decline has begun," he says.

PCI

The poll shows that the PCI is probably the party whose share of the vote is the most difficult to predict because of the many new factors which have cropped up in recent weeks, from its condemnation of the Polish government's militancy to its quarrel with the USSR. Mammi foresees a PCI in expansion; the communists, too, talk of growth. "I think," says Macaluso, "that these recent developments will have a positive effect. The people behold a cohesive party that knows how to make choices, say no, and settle matters even with itself." But isn't the PCI in danger of alienating part of its traditional suffrage by invading areas outside its sphere? "I think not," Macaluso replies, "because the PCI is holding fast to its distinctive principles: its fight for socialism and certain reforms, a foreign policy less servile to NATO, and its unwavering insistence on the question of an alternative to the DC power system." The biggest loss for the Communists is predicted by Puletti (-2.7 percent), who detects a "Stalinist element in its electorate who would like to mortify the party." According to PLI vice secretary Antonio Patuelli, however, "The Polish crisis will have little effect, but I don't find anything left of the rank-and-file's expectation that the PCI is going to produce miracles."

PSI

Puletti predicts a triumphant percentage spurt of about 5 percent for the PSI: "Italy lives by images, and Bettino Craxi is the image of a strong man at a time when people have come to understand that democracy is not anarchy." Only slightly less optimistic is La Ganga's prognostication for his party: "Our goal is to arrive at 14.2 percent or more, which is what the party won in 1958, the PSI's highest score in 35 years." PDUP deputy Famiano Crucianelli prophesizes a good showing for the socialists. "I think," he says, "that the trend will be confirmed in the next national election. If that should come to pass, then the vote could make way for a majority government without the DC."

PSDI

The Social Democrats have no doubt that they would rack up a big vote. La Ganga agrees, as does Patuelli, although he foresees a less consistent growth. Macaluso, Cicciomessere and Cabras, on the other hand, think that the PSDI is standing still. "I doubt," says Cabras, "that their demagoguery about pensions will pay off very much in 1982." Mammi, who envisions a recurrence of the DC-PCI polarization, believes that the PSDI will sustain a loss.

PRI

Second victor in the poll after the PSI, the PRI owes much, all agree, to its top man, Giovanni Spadolini, party secretary and president of the republic. Cicciomessere finds him heading "an electoral government." Cabras refers to the advantages that go with occupying the presidential suite in Palazzo Chigi, and Mammi is sure that the favorable "Spadolini effect" derives from the "good impression the present government has made."

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PLI

That the liberals will reinforce their position is a prediction everyone is ready to bet on. "They will benefit from the same phenomenon that is benefiting us," says La Ganga. "They are favored by the open debate with the two major parties and the sentiment against a return to the times when Italian political life was polarized by the DC and PCI." La Ganga foresees a greater success for the liberals than Patuelli does.

PR, PDUP, NSU

These three political factions are thought to be losing strength, particularly the PR, according to the poll. For Cabras, "the 1979 exploit cannot be repeated." Less marked, however, would be the ebbing fortunes of the extreme left.

The Latest Results

Local Elections in 117 Communities in 1981

Party	local, 1981	nationals, 1979	preceding local
DC	30.8	34.9	33.8
PCI	32.5	30.8	34.2
PSI	13.8	9.5	10.2
MSI	6.5	7.6	8.3
PSDI	5.9	3.5	4.5
PRI	3.8	3.1	3.8
PLI	2.7	2.3	1.6

Note: This table excludes the PDUP, NSU, and radicals because homogeneous comparisons are unavailable. The figures cited refer only to the national and local election results in the 117 communities which voted in 1981. The preceding local elections were held in different years. The percentage won by the MSI in the national election in 1979 includes the votes given to the National Democratic party.

Milan-Pavia

1981 Local Elections in 4 Communities Included in This District

Party	local 1981	national 1979
DC	26.2	28.2
PCI	34.9	40.8
PSI	24.4	12.4
MSI	1.7	3.2
PSDI	5.3	4.1
PRI	1.7	1.9
PLI	1.7	1.6

Rome-Viterbo-Latina-Frosinone

Results of the 1981 National Election in 17 Districts Included in This Constituency

Party	local 1981	national 1979
DC	30.2	34.6
PCI	35.3	29.8
PSI	10.4	8.4
MSI	8.4	8.6
PSDI	4.7	3.1
PRI	4.1	3.4
PLI	2.8	2.4

The Predictions

What returns do you foresee in the event of anticipated elections?

Forecasts of	DC	PCI	PSI	MSI	PSDI	PRI	PLI	PR	PDUP	NSU
Paolo Cabras DC Direction	39.0	29.5	11.5	5.0	3.8	4.0	2.4	1.5	1.3	0.7
Emanuele Malacuso PCI Direction	35.5	31.5	13.0	4.5	3.8	4.2	2.5	1.5	1.4	0.8
Giusi La Ganga PSI local units	35.0	29.0	14.2	4.3	5.0	4.0	3.4	1.9	1.4	0.5
Ruggero Puletti PSDI vice secretary	35.4	27.7	14.7	4.8	6.5	3.0	2.9	1.8	1.2	0.6
Oscar Mammi PRI secretariat	37.0	33.4	10.5	4.5	3.5	3.8	2.5	1.5	1.4	0.8
Antonio Patuelli PLI vice secretary	35.9	29.0	13.0	5.0	4.8	4.0	3.1	2.0	1.2	0.7
Roberto CiccioMessere Radical deputy	36.8	28.1	12.5	3.9	3.8	5.0	2.5	4.5	0.8	0.8
Famiano Crucianelli PDUP deputy	33.5	31.0	13.9	5.0	4.0	4.8	2.0	2.1	1.6	0.8
Average	36.0	29.9	12.9	4.6	4.4	4.1	2.7	2.1	1.3	0.7
1979 returns	38.3	30.4	9.8	5.9	3.8	3.0	1.9	3.4	1.4	0.8

Note--To arrive at 100 percent for both the predictions and 1979 returns, the votes given the minor lists must be added. In the preceding national elections, these lists accounted for 1.3 percent; an almost analogous percentage was given them by the forecasters. The 1979 MSI figure includes the National Democratic party. Actually MSI took 5.3 percent, DN 0.6 percent.

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MILITARY

FRANCE

BRIEFS

RAMJET ENGINE FOR MISSILE--ONERA [National Bureau for Aerospace Studies and Research] and the MATRA [Aeronautical Equipment and Production] Company are developing, at present, under the sponsorship of the DTE [Missile Technology Directorate], a test model of a tactical missile with ramjet propulsion, intended for flight qualification of this "simple" engine (without moving mechanical parts). Use of ramjet propulsion on a tactical missile makes it possible, with a given dimension, to increase its performance or, at a given range, to reduce its length. But its application to short- and medium-range missiles must meet the basic requirement of low manufacturing cost and it is necessary to resort to simple technological solutions, even at the cost of a slight decrease in performance. These are the characteristics of the "simple" aerobic engine, studied for several years at ONERA. Its performance will be very superior to the performance of traditional rocket engines. This engine consists of the following: An accelerator without nozzle and with traditional propellant, incorporated in the combustion chamber of the ramjet; the ramjet's air-tightness is provided, on the air intake side, by hatches that are ejected at the end of acceleration by simple pressure difference. One or several fuels, located right within the combustion chamber thus uncovered and fired naturally during the process. The sole pyrotechnic initial firing control is sufficient for setting off the chain of various operations. [Text] [Paris AIR ET COSMOS in French 20 Feb 82 p 39] [COPYRIGHT: A. & C. 1982] 10042

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GENERAL

FRANCE

TWO TYPES OF ARIANE 5 CONSIDERED TO PROVIDE LOWER COST

Payload of 4 to 4.5 Tons

Paris AIR ET COSMOS in French 30 Jan 82 pp 29-30

[Article by Pierre Langereux: "Future European Launcher: Towards an Ariane 5 Conventional Launcher by 1994"]

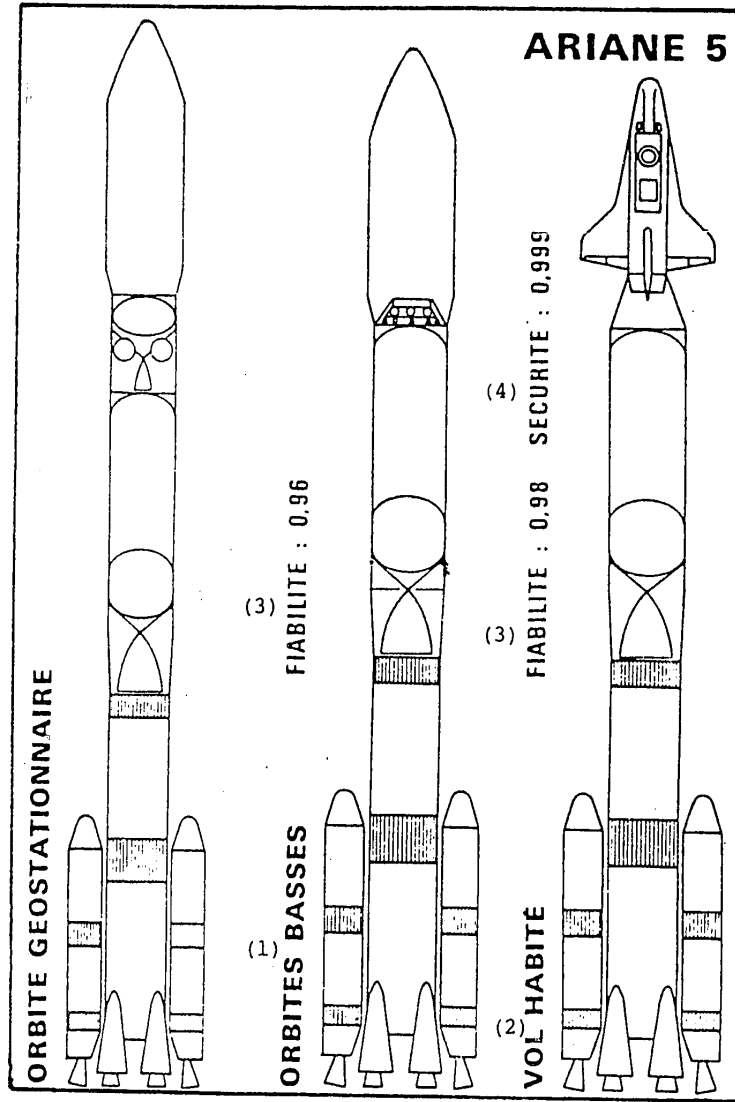
[Text] The European talks organized by the CNES [National Center for Space Studies] within the framework of the conference on "Evolution of Launchers in Europe" brought together 230 participants representing industries and space agencies (ESA [European Space Agency], CNES, DFVLR [German Research and Test Center for Air and Space Flight]) of some 12 European countries, mostly French and German, from 19 through 21 January in Paris (see AIR ET COSMOS, No. 891).

The discussions, chaired by Mr Frederic d'Allest, director of the Launchers Division of the CNES and president of Arianespace, made it possible to arrive at a better definition of the future European launcher, a definition that was strongly influenced by the CNES, its project for the Ariane 5 launcher having, according to all indications, been the most thoroughly worked out of the seven projects submitted, thanks to the studies carried over the last 3 years in France and Germany.

The object of these studies was to arrive at a definition of the future European launcher that is to replace Ariane 4 by 1994, considering that some 10 years will be needed to build this new rocket, whose development must therefore get under way by the beginning of 1984, although there were some differences of opinion as to this date, the CNES pressing for a decision by 1983 while the ESA expects it rather by 1985.

The proposed launcher would be a multiple-use type, capable of placing payloads of 4 to 4.5 tons in geostationary orbit--double the capacity of Ariane 4--and of some 15 tons in low orbit (400 km, tilted at 30 degrees), or, half the capacity of the Shuttle, at a per-kilo launch cost 20 to 30 percent less than that of Ariane 4 for a geostationary orbit launch and 1.5 times that of the Shuttle for a low-orbit launch.

The difficulty lies in optimizing the launcher for two types of missions so different, one from the other, and identifying this far in advance the missions



Key:

- 1. Low orbits.
- 2. Manned flights.
- 3. Reliability.
- 4. Safety.

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capable of "dimensioning" the future launcher... Views differ widely as to whether the present trend toward increasing geostationary payloads will continue or will come to a halt (the advent of small satellites in droves?) and as to what the coming low-orbit missions will be (manufacturing in space?) that must needs be taken into account in the 1990's. Opinions are also divided on the need to provide a capacity for manned space flights with Ariane 5. This is a fundamental option for the future, but one that changes completely the nature and the dimensions (technical and financial) of the problem. These points must be settled during the next several months.

Current logic calls for building the Ariane 5 launcher, the latest version of the Ariane line, using integrally the first stage of Ariane 4--with four 66-ton-thrust Viking motors and 210 tons of storable propellants (UDMH [unsymmetrical dimethylhydrazine] and N_2O_4)--topped by a new second stage, H60, carrying 60 tons of liquid hydrogen and liquid oxygen and a new cryogenic motor, HM60, having greater thrust (90-100 tons). This new launcher could be used in a two-stage version (57 meters high) for low-orbit missions, with possibly also a "transfer and attitude-control module," using storable propellants, to handle diversified missions (transfers, rendezvous, etc.), up to an altitude of 1,500 km. A three-stage version (65 meters high), with a re-ignitable cryogenic third stage, is envisaged for geostationary missions. This supplementary "orbital transfer stage," carrying 9 tons of propellants and equipped with the HM7B (6-ton thrust) motor of the current Ariane launcher, will enable the injection of single (4.5-ton), double (2x 2-ton), or triple (3x 1.2-ton) payloads into geostationary orbit. The launcher should also be able to inject manned vehicles (Hermes mini-shuttle) into low orbit, by "maximizing the reliability" of its stages and its avionics, which could lead to the building of a specific launcher.

The cost of developing the Ariane 5 launcher should not exceed 1 to 1.5 times that of the current launcher, that is, 5.5 to 8 billion francs. But views differ as to the level of resources Europe could allocate to it over the next decade. According to Michel Bignier, ESA director of space transport systems, no increase can be foreseen in European space budgets, hence the project to build the new launcher must be limited to an overall cost of around 10 billion francs over the 10-year period. Yves Sillard, director general of the CNES, who is more optimistic, estimates, on the other hand, that France could allocate 1.5-2 billion francs annually to this program, which she would be financing to the extent of 40-50 percent. This would represent an overall European allocation of 3-5 billion francs annually, totaling 30-50 billion francs over the 10 years, which would suffice to finance not only the Ariane 5 launcher but also "orbital intervention vehicles" (Solaris and Hermes)!

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Reusable First Stage

Paris AIR ET COSMOS in French 6 Feb 82 pp 29-31

[Article by Pierre Langereux: "Future European Launcher: Study of a 'Prime Ariane 5' with Reusable First Stage"]

[Text] With a view to reducing launch costs with the future Ariane 5 European

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Divers concepts étudiés pour le futur lanceur européen

ARIANE 5	1 1/2 ETAGE	FAISCEAUX	ARX 1	ARX 3	ISTRA	FLS
⁽⁴⁾ CONSOMMABLES		⁽⁶⁾ REUTILISABLES		⁽⁶⁾ REUTILISABLES		
⁽⁵⁾ BALISTIQUES		⁽⁵⁾ BALISTIQUES		⁽⁷⁾ AERO-BALISTIQUES		

- Key:**
- 1. Various Designs Studied for the Future European Launcher.
 - 2. 1 and 1/2 Stage.
 - 3. Cluster.
 - 4. Non-reusable.
 - 5. Ballistic.
 - 6. Reusable.
 - 7. Aero-ballistic.

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launcher, the CNES [National Center for Space Studies] has studied the design of a "prime Ariane 5" launcher, distinguished from the previous one by the adaptation of its upper part and by the development of a new first stage that would be reusable. This could reduce the launch costs (15,000 Fr/kg in low orbit and 50,000 Fr/kg in geostationary transfer orbit) and increase the launch rate (around 15 launches/year). The basic mission of the prime Ariane 5 launcher would remain the same as that of Ariane 5, namely, the launching of a 15-ton payload into a reference low orbit (equatorial circular at an altitude of 200 km) and of a 4.5-ton payload into geostationary orbit) with a payload volume of 170 m³ (half the capacity of the Shuttle) and a compatibility with manned vehicles (Hermes mini-shuttle).

The cost analysis of a two-stage launcher of the Ariane 5 type reveals that the first stage (with boosters, propellants and operations) represents around 50 percent of the total launch cost. It is therefore on the recovery and reuse of the first stage of the future launcher that priority efforts must center.

To reduce these costs, several approaches are possible. The single-stage launcher holds little promise as an approach to the intermediate and long term outlook for an economical system (to say nothing of its feasibility). The two-stage launcher offers two possibilities: One is to develop new production methods for building present stages more economically (recharacterize the new systems, simplifying and redefining them after analysis of the merit of new production methods); this approach could very well be fitted to the Ariane 5. The other possibility is to take an entirely new approach, essentially that of reutilization techniques.

A study of the economic factors involved in the operation of a reusable stage, as compared to that of a non-reusable stage of equivalent performance, shows the essential condition to be that the number of potential re-uses must be such as to guarantee that the price per kilo of payload for the total number of launchings of the reusable stage will be less than the price per kilo of payload launched by the non-reusable vehicle.

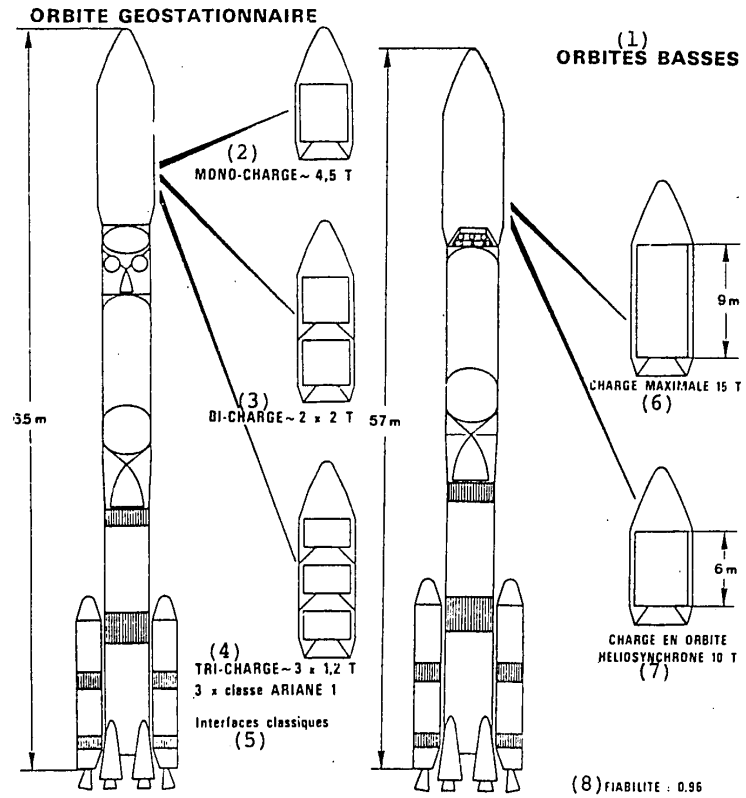
This requires taking into account the addition of the special elements necessary for the recovery but that reduce the performance of the reusable stage.

The problem of the reusable stage therefore presents entirely different aspects depending upon whether it is to be a first or a second stage.

It is very difficult to compensate through re-use for the loss in payload in the case of a reusable orbital stage, since any additional weight put into this upper stage entails a direct reduction of payload potential.

On the other hand, re-use appears to be economically viable for a first stage, which is less sensitive to variances in performance introduced by the addition of recovery systems.

Thus, the recovery of the first stage, which holds a priori promise of the most gain in launch cost, is also less risky than that of the second stage.



Ariane 5 Payload Configurations

Key:

- | | |
|--------------------|---------------------------------------|
| 1. Low Orbits. | 5. Conventional interfaces. |
| 2. Single payload. | 6. Maximum payload. |
| 3. Double payload. | 7. Payload in heliosynchronous orbit. |
| 4. Triple payload. | 8. Reliability. |

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According to AEROSPATIALE [National Industrial Aerospace Company], the number of potential re-uses could be reasonably expected to be of the order of 10, offering a good tradeoff between economy and vulnerability of the system!

Two kinds of recovery are possible:

--Partial and very primitive recovery, introducing a slight additional cost into the production of the stage but involving high costs of recovery operations and restoral to operating condition;

--Complete recovery, offering a priori promise of a substantial gain in operating costs but involving a sizable developmental cost and difficult techniques for keeping down the cost of restoral to operating condition.

Two designs of prime Ariane 5 launchers are currently undergoing study by the CNES. From the standpoint of limiting the developmental cost of the new program, the most interesting designs are based on recovery (limited or extensive) at sea; recovery based on return to the launching basis is more costly and considered too advanced (aerospace vehicle).

Limited Recovery

If only a limited portion of the launch cost is to be recovered, then as cheap a launcher as possible must be developed, which means reducing the number of motors.

This is the "1-and-1/2 stage" (HLLV [Heavy-Lift Launch Vehicle] type) design, comprising a first stage with two recoverable-at-sea, solid-propellant boosters, and an outboard non-recoverable fuel tank operating with the fully non-recoverable second-stage motor. To inject 15 tons into low orbit, such a launcher must have two 150-ton, solid-propellant boosters, each (separately) developing a thrust of 3,000 KN [kilonewtons] (300 tons) at liftoff; these rockets, which are steerable by means of vector-steering nozzles (like ballistic missiles), would have a burn of 125 seconds and a specific impulse of 275 seconds.

To recover these boosters, a simple system could be designed, with an overall rocket structural weight of 25 tons (structural coefficient 17 percent).

The outboard tank, with a capacity of 7 tons of liquid hydrogen and 90 tons of liquid oxygen, would weigh 11 tons empty and would have a diameter of 4.2 meters (like the Ariane second stage). It would be equipped with an HM60 750-KN (75-ton) cryogenic motor having a specific impulse of 425 seconds in a vacuum.

The performance of this launcher could be improved by adding a deployable diffuser to the nozzle of the HM60.

The mode of operation would be as follows: After 125 seconds, the two boosters would be jettisoned (to be recovered by parachute at sea), the burning (and transfer of the propellants of the motor (diffuser deployed) would continue; after 350 seconds, the second stage would enter into operation.

The problems to be resolved are: The development of the steerable solid-propellant rockets (missile techniques) and the fine-tuning of the HM60.

Extensive Recovery

This is the "cryogenic cluster" design, or bundled-stage rocket (in the Russian manner), based on maximized re-use of an Ariane 5 launcher's H60 cryogenic stage. Given its weight and the cost of the first stage, such a design calls for extensive recovery of the first-stage elements, at sea, which poses new problems.

A performance analysis shows that the important parameter is the overall structural coefficient of the first stage, considering the weight of the recovery system, since this affects the takeoff weight and hence the size of the auxiliary rockets used for the first phase of the flight. These solid-propellant boosters cannot have too substantial a weight if recovery is to remain economical.

Constraints and Advantages

A certain number of functions must be performed, moreover, by any recovery system at sea (or on land). The attitude of the stage during the reentry phase must be controlled to minimize thermal stresses and to control stresses owing to deceleration; this attitude control can in some cases be passive depending upon the aerodynamic and structural characteristics of the stage. An auxiliary braking system must be provided to slow down the descent beginning at a certain altitude, in preparation for the splashdown of a weight of that magnitude (around 30 tons). Lastly, a system must be provided for controlling the setdown trim in the final phase and at impact, to minimize stresses at that moment and control their points of application.

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