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JPRS L/8967

7 March 1980

# West Europe Report

(FOUO 11/80)

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WEST EUROPE REPORT

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COUNTRY SECTION

FEDERAL REPUBLIC OF GERMANY

SPD'S BAHR INTERVIEWED ON SOVIET INTENTIONS

DW211337 Munich QUICK in German 21 Feb 80 pp 13-15 DW

[Undated interview with SPD Federal Manager Egon Bahr by Hans Wagner in Bonn]

[Text] QUICK: For roughly 8 weeks now Soviet troops have been occupying nonaligned Afghanistan. Has this caused you to change your assessment of the Soviet Union? Were you, too, as disappointed as was President Carter?

Bahr: The Soviet Union has committed an act there which cannot be tolerated. But I am not so terribly surprised that the Soviet Union indeed fills out a vacuum when there is a vacuum that can be filled at no risk.

QUICK: What do you mean by that?

Bahr: To cite an example, what I mean is this: Angola first called on the Americans for help and did not get it. Then Angola asked us for help, and did not get it. Finally Neto called on the Swedes--to no avail. Only then did he approach the Soviet Union, and he found support there. The influence which the Soviet Union has gained lately in Angola and elsewhere is not at all the result of Soviet genius but of Western mistakes.

QUICK: Does this also hold true for Afghanistan?

Bahr: Afghanistan has been part of the area of interest and influence of the Soviet Union for many decades. There is not the slightest doubt in my mind that the United States had observed how the Soviets enormously enhanced their presence there since April 1978 and, particularly so, in the fall of 1979.

QUICK: Do you believe that following the Afghanistan shock the United States will counteract discernible Soviet intentions in the future earlier and with more determination?

Bahr: What I hope, above all, is that the old mistakes will not be continued, believing that everything can be done with arms, believing that one can put one's stakes on the wrong people and having to prop up old, entrenched, feudal regimes. The example of Iran shows that it is not enough to support a man and to equip his country with arms.

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QUICK: Does this also apply to Pakistan?

Bahr: I hope that the West will not have the same experience there, but everything I hear from and about that country makes me concerned.

QUICK: Would you term the Soviet Union a peace-loving country?

Bahr: This designation by Konrad Adenauer is valid even today. The Soviet Union wants to avoid World War III. And we, too, have begun to conclude agreements which work and which have made Europe an oasis in which peace and stability prevail.

QUICK: But has peace not become less safe for us, too, as a result of Afghanistan?

Bahr: With growing tensions negative effects will result for Europe, yet I stand by what I said: Peace in Europe has become safer. This is the result of 10 years of social-liberal foreign policy. Yet the European policy of detente cannot prevent new conflicts from emerging in other parts of the world.

QUICK: What do you think of an Olympic boycott?

Bahr: If it is intended to cause the Soviet Union to leave Afghanistan, then it will not work. If it is intended to be psychological and moral punishment before the world public, its success will depend on how many countries will go to Moscow. At this stage of the game it will be very many. Besides, we hope for a development in which the Olympic games would be possible in Moscow without any trouble. This means that we must fully utilize the time left until 20 May. By that date the national Olympic committees will decide finally whether they will go or not. Much can change before then. Therefore I am against any commitment prior to that date.

QUICK: Do you fear that the Soviet Union in the near future might use Berlin again as an instrument for bringing pressure to bear on the West as has happened before?

Bahr: There are no indications of that to date, nor do I believe that this will happen.

QUICK: The impression prevails as though the Europeans were currently making an all-out effort to avoid being dragged into the conflict of the two superpowers. Do you also see this tendency?

Bahr: I believe that for a long time the cohesion of the alliance has not been so strongly emphasized as it has been in the past several days. On the other hand, it is, of course, the European's own interest to prevent the conflict from extending to Europe. And I believe that this is also the American interest.

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QUICK: The Federal Republic, which is considered the most important ally of the United States, is currently being strikingly spared by the Soviet Union. Are the Russians working toward a special relationship with West Germany?

Bahr: No, I do not think so. The Soviet Union is interested in the status quo. It does not intend to shake the alliance systems of NATO and the Warsaw Pact, either. I believe that the Soviets up to a certain degree also regard the Americans as the watchdog insuring that the Europeans, and naturally the Germans, do not become too independent or do anything silly.

QUICK: You believe that the status quo is also in the German interest?

Bahr: For 20 years, between 1949 and 1969, we tried to change the situation in Europe. In that period the Soviet Union just grew stronger, and the GDR developed into a separate state. By means of detente policy we sought to make the situation at least more bearable to the people. I would not want to endanger this.

QUICK: But in the period of detente policy, too, the Soviet Union merely grew stronger. Do you really believe that the Russians are serious about what the West understands to be detente--has Moscow not outsmarted us?

Bahr: I believe for several reasons that the Soviet Union is serious about detente. Notwithstanding all justified outrage over the action in Afghanistan we must not fail to realize that since becoming equal in nuclear potentials the Soviet Union has always acted with great care and purposefully below the threshold of a dangerous risk.

[DW211354] QUICK: But detente also means mitigating potentials. Do the Russians really strive for that with regard to themselves or only with regard to the West?

Bahr: We believe that detente calls for balance on as low a level as possible. Moscow knows that this also applies to the Soviet Union. I am convinced of that and therefore I am interested in SALT III being achieved in the near future.

QUICK: Moscow said that if NATO decided to close the arms gap there will be no further negotiations.

Bahr: The Soviet Union said it first like that. But today it formulates it differently. It says that the basis that existed prior to the decision does not exist anymore. So one must look for a new one. Negotiations have not been rejected in this way.

QUICK: Next to "detente policy" you created the formula "changes through rapprochement," which became one of the most used terms of the so-called new ostpolitik. What has become of it?

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Bahr: I formulated it 18 years ago as an interim phase leading to agreed-on reunification. Matters developed differently. Since 1964, the first 20-year friendship treaty between the Soviet Union and the GDR, a direct policy aimed at reunification in measurable phases is no more realistic, so that consequently this term disappeared into the pages of the archives.

QUICK: The term reunification also seems to have disappeared. One does not like to hear it in your party any more--what is your personal approach to it?

Bahr: I do not like the term "re." It must bear the weight of the past 30 years. But for me the problem that Germans, if they want to, live under the roof of one state, is the problem of problems as long as I live. With one exception: Peace is more important. And therefore I am used to being considered a half insane person.

QUICK: Why are you being considered insane?

Bahr: Because some people say that this is unrealistic and that we have other problems, ranging from protection of the environment to the difference between the North and the South in the world. Maybe my opinion will really turn out to be unreal in 20 years. But I feel so strongly tied to my conviction and the task of the constitution that I can take it in stride.

QUICK: Why is this--let us simply call it unification policy--your subject?

Bahr: Because I was born a German, because I grew up as a German and because I knew Germany when it was united. There is a rational consideration also: I believe that a great people in the center of Europe has the right to self-determination, and that it would be good for unbreakable peace if what is called the German problem were solved some day.

QUICK: Do you consider your prevailing political work as helpful for that aim?

Bahr: Yes, because we will be able to talk about unification some day only if all neighbors are convinced that no danger will emanate any more from the Germans. Detente policy is a prerequisite for that.

QUICK: Do you consider your prevailing policy as preparatory unification policy?

Bahr: That would be saying too much. We have managed to carry out a small part of the many preparations and prerequisites. But we must continue to pursue peace policy in Europe so that our neighbors some day will find the idea of German unity tolerable. At the moment I see no neighbor, neither in the East nor the West, who would not get the creeps with regard to such an idea. The German problem unfortunately will not be on the international agenda for a long time. Other problems are more urgent and explosive.

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QUICK: The leftists ranging from Peter Brandt to Martin Walser and adviser Guntram von Schenk of the SPD Bundestag faction seem to be discovering the nation now, although so far it belonged to the political field of the rightists. Is that some sort of a change in tendency?

Bahr: I see it differently. The rightists are or were about to abandon the nation and sacrifice it to European integration. Actually there have always been SPD members who have warned against underrating that problem so that it would not get into the wrong hands. Today there really are some young people among us who have discovered the national problem as something for satisfying the [as printed] I consider it a pleasant development because a people in the center of Europe simply cannot live without history.

QUICK: What does the German nation mean to you?

Bahr: The unit in which these people want to live.

QUICK: Is that a value for you?

Bahr: Yes, oh yes!

QUICK: Finally--what is your prognosis with regard to the outcome of the Bundestag elections?

Bahr: Franz Josef Strauss will not achieve as good a result as Helmut Kohl. So the social-liberal coalition will be continued. I am convinced of that.

QUICK: And you do not reckon with the Greens? [Environment Protection Party]

Bahr: In line with the increase of international tensions the voter will realize that these auxiliary troops desired by Strauss as a substitute for his fourth party cannot give an answer to these vital problems. Therefore, the Greens will not gain as many votes as they would have probably achieved prior to Afghanistan.

QUICK: If no clear majority is achieved after the Bundestag elections, would you consider a grand coalition feasible?

Bahr: There will be no draw and therefore also no grand coalition. I can imagine having a grand coalition only in times of emergency, and then it would rather be an all-party government. In a normal situation we ought to have a strong opposition.

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COUNTRY SECTION

FEDERAL REPUBLIC OF GERMANY

CORRESPONDENT VIEWS GOALS, PROBLEMS OF OSTPOLITIK

Turin LA STAMPA in Italian 5 Jan 80 p 3

[Article by special correspondent Frane Barbieri: "A 'New Look' Ostpolitik"]

[Text] Is the alternative to "Finlandization" applicable in Europe? Schmidt wants to make Western policy vis-a-vis Moscow more flexible, as Germany sees its international influence growing. Bonn believes that if the Europeans help the USSR solve its domestic problems they will in return obtain access to a new market and to new sources of raw materials. The chancellor is encountering reticence on the part of Bonn's allies, however.

Bonn--Bonn is expanding rapidly--both horizontally and vertically--along the banks of the Rhine. The skyscrapers and futuristic structures of the new Chancellery and ministries, and the imposing new buildings of the political parties and newspapers, have not yet succeeded in depriving "the largest village in Germany" of its bucolic atmosphere. As if it were still perplexed and uncertain about its own future, Bonn has not yet decided to don the trappings of an authentic capital of Germany, never wishing to forget Berlin. At the same time, however, it aspires to be the political center of Europe.

Fearful of irritating allies and adversaries alike, the various governments in Bonn have almost always had to conceal their own ambitions. A German "leadership" would excessively disturb the arrangement of the continent that was fashioned at Potsdam. The lack of a Western "leadership" (since the degree to which the Americans have lost control is such that they do not know how to use the strength of their own muscles) has had the effect, however, of assigning to Germany a role that quite simply goes beyond even the most secret ambitions of its government.

Schmidt appears today to be the only head of government who does not face serious domestic financial difficulties. The "quotations" on the chancellor have accordingly behaved on the international scene in concert with

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the quotations on the mark. With the self-confidence of someone who alone among the world's leaders has devised a formula to control inflation without making his fellow citizens pay the price of the crisis, Schmidt aspires to the role of arbiter even in the global politics of the super-powers. Indeed, he is at one and the same time a partisan of the decision concerning the Euromissiles and the most severe critic of the stupidities attributable to Washington's leadership.

Schmidt is responsible for the triumph of an accurate--though seemingly paradoxical--syllogism: the fact that the Euromissiles facilitate ratification and continuation of the SALT negotiations. Moscow has accused him of strengthening the American military presence in Europe; Washington has reproached him for taking Soviet interests in Europe too much into consideration.

It would in fact appear that the German chancellor has situated the role of his government somewhere in between these two critiques. One of his associates told me: "We feel that we are today the trustees and guarantors of detente. The weakness of the American leadership may well have its counterpart in weakness on the part of the Soviet leadership. A break between Washington and Moscow would give rise to events capable of jeopardizing the precarious equilibrium of the world. Europe would be the first to suffer the consequences, and pay the price, of such an eventuality."

Although the aforementioned official assured us that this does not constitute a new orientation but rather an attempt to safeguard a "correct and consistent policy line" at a moment when the great "leaderships" are vacillating, we believe we are able to discern, in Bonn's designs, the outlines of a new Ostpolitik. We are rather far from a return to Brandt, who is now out of the picture with a somewhat faded charisma.

This time it is Schmidt who is refloating his version of the famous Ostpolitik. He proceeds from a premise that in many respects is antithetical to the premise upheld by the White House, to wit: the West will not be able to rescue itself from its own crisis by aggravating the crisis of the USSR. The thesis attributed to Brzezinski to the effect that it is necessary to ensnare Moscow in the weaknesses of its economy and in the dysfunction of its system is regarded here by authoritative Social Democratic spokesmen as "stupid."

We shall attempt to trace the outlines of Schmidt's new Ostpolitik in the light of the interpretations gathered in Bonn, as follows: The approach being employed by the USSR on the Western European scene--in a frenzied search for a way out of its complex domestic problems--cannot be contained by erecting a new obstacle between the two Europes (an alternative all the more unacceptable to Germany in that the obstacle would dispel the mirage of reunification).

Account should be taken of the Soviet difficulties without rejoicing over them, inasmuch as Moscow apparently intends to seek a solution through

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cooperation with Europe. Only if Moscow fails to find that solution could the Soviet crisis generate serious pressure on the continent. In the grip of its own crisis, the USSR does not desire a deepening of the European crisis, and Europe should likewise not desire a similar fate for the USSR. On this basis--Bonn says--Europe can assist the USSR and at the same time assist itself by opening its doors to new markets and new sources of raw materials.

Europe should guarantee itself against the possibility of disequilibrium in its relations with so mighty a partner by involving the United States in the operation and by retaining the American military presence on the continent. One high-ranking official of the government said to me: "The Soviet system is foundering and in danger of collapse. Unless it copes with the question of reforms, there will be an explosion of exasperation that will ultimately spill over into Europe. The West has every reason to support the reformist point of view, which is that of Brezhnev."

I attempted to determine whether these supposed factors underlie the differences between the behavior of the American Government and that of the European governments with respect to an entire series of questions.

"But what differences are you talking about?" a high-ranking official of the Ministry of Foreign Affairs asked me with an air of surprise. I attempted to list them. Europe, for example, has not implemented the technological blockade against the USSR that Washington desired (and has in fact attempted to fill, with its own trade, the void thus left by the United States); with respect to "playing the China card," Bonn has dissociated itself from the American policy line; in the Middle East, the attitude of the Europeans is much more multifaceted than that of the Americans; and as regards the Cuban situation and the presence of the Castroites in Africa, Washington's views do not coincide with those of the Europeans.

"All things considered," I ventured to say, "Bonn appears to be much more responsive and open vis-a-vis Moscow and its arguments than Washington is." The official sought above all to define the "parameters" within which German policy operates: membership in NATO and the EEC, on the one hand, and the "irreplaceable" American military presence, as a "guarantee of atomic security."

He assured me that Bonn's Ostpolitik does not transcend this framework. In fact, he contended that there were no substantive differences on any of the points I had enumerated. He conceded only that Germany "is not interested in playing the two powers--China and Russia--off against each other," but asserted that not even on this point could one speak in terms of a split between America and Europe. In any case, because of their proximity Europe assigns a relatively greater importance to relations with the countries of the Soviet bloc.

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#### Secret Agreements?

A similar defensive tone is observable in the statements of almost all the leading figures of the government and the parties of the coalition, who are irritated by the suspicions currently voiced in London and Paris to the effect that a preferential relationship exists between Moscow and Bonn. The story of Brezhnev's alleged secret proposal to Schmidt has also been revived--a proposal in which Brezhnev supposedly offered the reunification of Germany in return for German neutrality. "It's just a question of taking regular soundings," these officials explain. "In every delicate situation, even our closest allies want to ascertain the precise distance between Bonn and Moscow."

Based on interpretations obtained in authoritative quarters, Schmidt's new Ostpolitik would appear to be not a distinct and separate policy line but an attempt to give overall Western policy a more flexible and articulated orientation in respect to relations with Moscow.

In Bonn's opinion, the most recent aggravations on the world scene are attributable to the fact that the insecure American leadership has found its counterpart in an equally insecure Soviet leadership, with each side suspicious and uncertain as to the intentions of the other. More than ever before, Europe (and in this context--at this moment--when one says Europe one is thinking primarily of Bonn) feels it has a vocation for the role of mediator and that it alone is capable of halting the collapse of detente.

This is the concept of Chancellor Schmidt, who would appear to be fully qualified to aspire to a position of "leadership" (a position now vacant) in the West. Fully qualified, that is, except for one thing: the fact that he is German. This is precisely the reason why the chancellor elicits suspicions and reservations even among Bonn's allies--suspicions and reservations which are further aggravated by the ambitions and proposals of the party to which he belongs. The SPD [Social Democratic Party of Germany] links the fate of the German nation to the fate of Europe as a whole. At the same time, however, we have the words of an authoritative spokesman of the party: "The history of the German nation will coincide with the history of socialism, and vice versa."

#### Compromise

In the view of the Social Democrats, the reunification of Germany coincides with the evolution of socialism. According to this theory, in a more relaxed international atmosphere even the Eastern regimes will adopt the course of democratic reforms. The countries best able to embark on this course are the more developed and democratically oriented countries such as Czechoslovakia, Hungary, Poland and the GDR itself, which have profited from the relaxation of controls by Moscow--a Moscow no longer fearful for its own security.

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A similar hypothesis was the basis for the controversial "tour" that Wehner, the SPD's prestigious parliamentary floor leader, made of these countries, and also for his even more controversial statements. "The USSR," he said, "has no expansionist tendencies. Its only concern is its own security.... With the aim of concentrating its forces on the Chinese border, it would be prepared to sacrifice the Warsaw Pact if the West would renounce NATO...."

Anticipating that the Western socialist parties will undergo a reformist evolution (of radical orientation), the SPD (or at least one of its main currents of thought) foresees a convergence, in the future, of the two reformed socialisms of Europe. For Germany, this would also mean national reunification. In this context, Wehner has also rehabilitated Ulbricht's concept of "German socialism," which was outlawed in the East with the advent of Honecker. In the evolutionary process of the two socialisms--a process capable of removing the barriers that divide Europe--the German social democrats are assigning a prominent role to the Eurocommunists. This is the explanation for the close relations (somewhat diminished of late) between the SPD and the PCI [Italian Communist Party].

A high-ranking representative of the Social Democratic Party told me: "We would look with favor upon participation by the communists in the Italian Government. Their participation would not imperil the West, where the communists will never be a predominant force; on the contrary, it would set in motion an important reformist process." I have found that the liberal Augstein, editor of DER SPIEGEL, holds the same views. The aim is to proceed from the domestic "historical compromise" to a pan-European historical compromise--a utopistic expectation that far transcends the new Ostpolitik of Schmidt.

A pragmatist par excellence who would rather deal with the mark than with Marx, the chancellor probably keeps himself at a considerable distance from the ideological illusions of his fellow party members. This does not save him, however, from the criticism and attacks of the opposition. As it steels itself for the coming elections, the opposition is wondering: "Is it not possible that the chancellor's new Ostpolitik embodies the main features of Finlandization?"

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COUNTRY SECTION

FRANCE

MARCHAIS' SUPPORT OF SOVIET AFGHANISTAN INVASION SPLITS PCF

Paris LE NOUVEL OBSERVATEUR in French 14-20 Jan 80 pp 20-21

[Article by Irene Allier: "Marchais: An Order From Moscow"]

[Text] So apparently nothing has happened in Afghanistan. The name of the country where 80,000 Soviet soldiers are at present being deployed is not even mentioned in the final communique published Thursday evening at the close of Georges Marchais' visit with Leonid Brezhnev--even though on Friday the PCF's [French Communist Party] secretary general on French television went at length into the arguments put forward by Moscow to justify its intervention, without the least trace of criticism. In the official text the two parties merely dwelt, but exclusively with reference to imperialism, on the necessity of "respecting the principles of sovereignty..., independence and noninterference in the affairs of other countries." At that cost, the spectacular reconciliation between Georges Marchais and the Soviet leaders went off very well. For them, hasn't the invasion of Afghanistan meant only an "incident on the way," as Michel Debre said 12 years ago?

On 22 August 1968: The PCF secretary general returned to Paris dumbfounded, called together the political bureau on an emergency basis and had it publicly condemn the entry into Prague by Warsaw Pact troops which had taken place the day before. On 4 January 1980: The PCF secretary general calmly returned from a "presidential" trip to Cuba. A week ago Soviet troops penetrated into Afghanistan and the political bureau finally met. But this time it was "to understand" a fait accompli. It would be impossible to rally a majority to "censure" the military intervention as Waldeck Rochet was able to do in 1968. All the same nothing indicates that Georges Marchais tried to rally one. It was a feat of another kind that the political bureau managed to achieve: Reconciling the irreconcilable, it succeeded in championing the PCF's indefectible attachment to the principle of noninterference and at the same time the right of any country to seek aid from an allied country so as "to stand up to foreign intervention." Georges Marchais had no intention of compromising his trip to Moscow. For he was leaving for Moscow as head of a party delegation. That apparently had the highest priority. And first he was to make a detour to Rome. "He wanted the blessing of the pope and that of Satan (of Berlinguer and Brezhnev)," a bitter militant explained. "He did not get that of the pope." But in his eyes the other was far more important.

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Georges Marchais in the USSR, that was an event. It had been over 5 years since he had gone there, to be exact not since July 1974. It had been ages since he had the benefit of those holidays on the shores of the Black Sea which the Soviet leaders generously give the leaders of fraternal parties; he even refused to attend in person the CPSU's [Communist Party of the Soviet Union] congresses. Finally, in Paris he sometimes deliberately avoided meeting Soviet leaders on official visits. The fact is that despite his prudence, his reticence and the weight of his pro-Soviet lobby, Marchais for a long time believed in the virtues of Eurocommunism. In 1976 at the East Berlin conference which brought together all of the European communist parties (from east and west), he--along with Berlinguer--was the pioneer of insubordination with respect to the USSR. Thanks to him "proletarian internationalism," which for so long meant unconditional solidarity to the "fatherland of socialism, had been cast aside for the benefit of an "international solidarity" without any real substance nor any heavy obligations. Finally, in 1978 KOMMUNIST, the CPSU Central Committee's review, profited by the publishing of and publicity given by the PCF to a critical work: "l'URSS et nous," to denounce the anti-Sovietism of certain French communists. In short, until it rediscovered on the occasion of its 23rd Congress the "over-all positive balance sheet" of Soviet-style socialism, it could have been thought that the PCF found in Eurocommunism the way and reasons for a loosening of its original ties with Moscow.

#### China's Shadow

But Eurocommunism had as its natural complement the union of the communist parties of France and Europe with the noncommunist parties. To the extent that the PCF has given up this alliance policy, for it Eurocommunism is no longer on the agenda, whatever Marchais may say about it. At the same time, its bonds with the USSR are being tightened. In fact, the PCF is the only French political group which cannot dispense with fitting its activities into an international whole serving as a guarantee of its revolutionary will. The PCF is an integral part of the international communist movement. Now, ever since the latter has had two poles, the USSR and China (in Asia, Sino-Soviet rivalry has to all intents and purposes replaced Soviet-American rivalry), the PCF has made its choice.

"Seeing two countries that claim kinship with socialism fighting against each other in every sphere, that makes us bleed all over," an ill-resigned old militant sighed. Bleeding or not, the CPF leadership opted deliberately for the Soviet camp.

"We could have said 'no' on Kabul," a party cadre admitted. "But we had already said 'no' on Cambodia when Vietnam backed by the USSR invaded it. And yet we had published a book to the glory of Pol Pot!"

So, behind Cambodia, behind Afghanistan, appears China's shadow in profile. But it is not the only one. The PCF's political concerns are not exclusively planetary. The trip to Moscow also responded to other motives, motives

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of an internal order and even out-and-out electoral ones. First of all political, the surprising thesis spread today by those who had accepted only with a sinking heart the strategy of union of the Left, that the PCF's electoral erosion is allegedly attributable to its drawing away from the USSR, to the dissolution of its revolutionary identity. But above all there is the electoral campaign of the future communist candidate in the 1981 presidential elections, Georges Marchais. For several months he has been undertaking a series of international trips which, he hopes, will give the world the image of him as a distinguished statesman. He has visited Yugoslavia, Algeria, Poland, Cuba, Nicaragua, he has met Yasser Arafat, the Polisario Front; other long rounds of visits are planned in Africa, Benin, Angola. There would still be the United States and the USSR. The PCF is endeavoring to have Marchais invited by an American university. A Soviet trip therefore had to be arranged at the same time.

## A Serious Split

It had been planned for a long time, before Afghanistan became a current event. It was to have taken place in November 1979, an ideal time according to the PCF's thinking people, not too close to the time of the 1981 elections (in such a way as not to allow the adversary to exploit dangerously what Jean Elleinstein already calls a voyage "to Canossa"), nor too far off as to recapture in time the segment of militant opinion eager to see on television and on L'HUMANITE's front page the accolades, the simultaneous embraces and smiles of a Brezhnev reconciled with Marchais. Especially since it could be hoped that once the reconciliation took place the USSR would know how to refrain from showing its preference for the "bourgeoisie's candidate" as it did in 1974 by sending its ambassador to Giscard right in the middle of the electoral campaign. This point was no doubt an integral part of the long negotiations that ended in the drafting of the joint text Brezhnev and his guest made public Thursday evening.

It took no less than two French delegations to the USSR since October, an article by Gaston Plissonnier, guardian of the pro-Soviet flame, attacking the French socialists... in PRAVDA (!), a visit to Paris by Vadim Zagladin, the member of the Soviet Central Committee in charge of relations with the PCF, to attain an agreement. The USSR recognized the right of communist parties to take new paths towards socialism. Afghanistan arose to disturb fleetingly the timing of the ceremonies; in the communist leadership's view it could not in any case attenuate the presidential necessity of the secretary general's trip. Nor the date set for it so laboriously... Of course this conjunction of events ran the risk of isolating the PCF a little more from its European "brothers." Spain's Communist Party has condemned the Soviet operation, the Italian Communist Party has condemned it, Yugoslavia has condemned it, without even mentioning the Iranian revolution which has also condemned it. It can't be helped! Nothing could stand in the way of the Brezhnev-Marchais reconciliation. As for what comes next, that remains to be seen. The political bureau, furthermore, left a door half-open when it declared its desire that the Afghan people ensure their "march towards progress peacefully and with full sovereignty."

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However, it may be feared according to some of the party's Cassandras that a significant aggravation of international tension might incite the PCF leadership to sacrifice everything to the Soviet camp and in particular the famous "divergences" on human freedoms and rights it had assumed for a few years. The fact is that Jean Kanapa is dead. The PCF's "minister of foreign affairs," he managed to hold the two ends of the chain together and make a synthesis of what was owed the USSR in the name of "international solidarity" and what was owed the PCF's necessary independence and the demands of democracy.

"... We cannot agree to the Soviet Army ruling as a master in Kabul, waging a war against "Moslem rebels" kilometers from the Soviet Union's territory. We cannot agree to the USSR behaving like a great power defending its interests just like American imperialism... The Soviet troops must leave Afghanistan..." There were 45 communists who signed that text. Forty-five who protested openly. That isn't very many; but those who silently disapprove are infinitely more numerous. Among the usual signatures one notes the new names of leaders still hesitant a short time ago: Adler, the historian, for example, one of the authors of "l'URSS et nous," the communist mayor of Sevres, Roger Fajnzylber. A warning shot at the leadership. But the latter feigns to be unaware that the party today is no longer closing its ranks behind it. However, even the editorial staff of L'HUMANITE is divided into virtually even parts between those who approve and those who do not approve the Afghan operation. An even more clear-cut rift in the CGT [General Confederation of Labor] where a serious split occurred over a text that was nevertheless more specific than that of the political bureau: A straight out reminder of the principle of nonintervention accepted by everyone, including by Seguy and Krazucki. If 16 members of the executive committee, among them two communists, refused to take a vote on it, it was not because they found it too difficult, but on the contrary because it did not explicitly condemn Soviet intervention.

The Afghan affairs is obviously not of the kind to be helpful to this remobilizing of the party which the leadership for 2 years now has been vainly seeking. The success of the "100's petition," which in less than a week has become that of the "1,000," proves it. It demands union at the base, union of the forces of the Left in the struggle against "general staff strategies." A number of communists signed it, this time its impact went beyond the small circle of "critical" intellectuals. The bulk of the party, of course, is not revolting against the 1978 rupture and its consequences; but it is obviously not approving.

"The time has passed when a communist militant obeyed implicitly," a vigilant observer of the internal evolution noted. Henceforth the communists follow along only if they agree to discuss party policy with them." Since they do not discuss it, the militants are quietly drawing away on tiptoe: An example? In the central committee's framework of life committee headed by Mireille Bertrand there is no longer anyone except the standing members. The specialists who just a short time ago were participating in the Grenoble

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colloquy on urbanism? They have disappeared. A number of cells (40 percent in the Paris area, according to a study for internal use revealed by LE CANARD ENCHAINE, have not met for 3 months. To explain themselves, some militants are addressing the bourgeois press "because of the nonfunctioning of their cells." "Mine has not convoked me for 8 months," one of them said. In short, a small number of the party is protesting, the bulk of it is playing dead. An irrefutable test: Dues come in slowly or not at all. Five or six stamps a year are paid on the average, to the point that this failure to get money is affecting the budget of the party which is specifically seeking to build up the war chest of its candidate for the presidency of the Republic.

Inhibited, paralyzed, inert, the militants suspect fighting among the leaders at the top of their party all of whose ups and downs they do not manage to follow. They only perceive signs of it in the labored compromises drawn up by the political bureau and in the cryptic exegeses of them which spokesman Pierre Juquin supplies: "We have no need to approve or disapprove (the Afghan issue), but rather to understand it." Some see the triumphant label of Roland Leroy and the success of the protracted patience of Gaston Plissonnier, symbol of the party's continuing existence through its changes, in Marchais' haste to rediscover the fraternal embraces of the past. And they are waiting for the clock to turn back...

## No Debate in L'HUMANITE

But it is of course on a party in very poor form that the Afghan operation fell. "You forget that the Fiszbin-Gajer affair is continuing to effect ravages, perhaps even worse ones," some Parisian communists are saying. In fact it is no doubt easier for a communist at the base to agree from afar to the USSR defending its great power interests as it chooses to seeing himself shamelessly deceived by his own leadership. On 7 January Henri Fiszbin attempted to take advantage of the open forum in L'HUMANITE on the occasion of the impending national council meeting devoted to the intellectuals to expose in discreet terms but publicly the conflict setting him against his hierarchy. Were they finally going to open the debate in L'HUMANITE? No indeed. As an exceptional action, the committee in charge of organizing the discussion immediately intervened to close it "administratively." Who would dare answer back to statements in speeches by Georges Marchais presented as so much evidence! Captain of a ship tossed about by the ground swell on which one meets as many individuals nostalgic over the taking of the Winter Palace as those desirous of a reformism without drama, Marchais appears to be abandoned to ill winds that run the risk of blowing him far from his point of balance. The spectacle of Moscow's resumed meetings allows predicting that it will be for a long time.

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COUNTRY SECTION

FRANCE

BRIEFS

NUCLEAR WEAPONS AND POLITICS--It is rare that a defense meeting becomes the subject of widespread publicity. Said meeting, headed by the President, brings together top-level defense officials. The 7 February meeting received big play in the press even though all the "options" announced (armament of the sixth nuclear submarine, cruise missiles and mobile missiles) were already known. The final decision will only be made in April after debate in Parliament. The reason? It appears that the President, warned that defense will be one of Chirac's main themes on the 12th, hopes to deny him the use of this "exclusive" bit of information during this time of international tension. [Text] [Paris VALEURS ACTUELLES in French 11 Feb 80 p 15]

PRC-FRANCE INTELLIGENCE SHARING--Alexandre de Marenches, chief of the SDECE, may meet with top officials of the PRC intelligence services during his unofficial stay in Beijing. PRC intelligence services are currently providing more and more information to their Western counterparts about Soviet activities, particularly with respect to Africa. [Text] [Paris VALEURS ACTUELLES in French 11 Feb 80 p 15]

RENE JOURNIAC SUCCESSOR--Guy Georgy, 61, one of the French diplomats most familiar with Africa (he has devoted practically his whole career to it except for a 3-year tour in the French Embassy in Bolivia), will probably succeed [the late] Rene Journiac. [Text] [Paris LA LETTRE DE L'EXPANSION in French 11 Feb 80 p 6]

MARCHAIS CAMPAIGN-- [PCF Secretary General] Georges Marchais will head up an extensive PC campaign against the neutron bomb [in France]. [Text] [Paris LA LETTRE DE L'EXPANSION in French 11 Feb 80 p 3]

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SDECE ASSIGNMENTS--SDECE chief de Marenches has sent two colonels on detached duty, one to Saudi Arabia and one to Tunisia. De Marenches appointed a subversion expert, Colonel G., to work with King Khaled, whose throne was shaken by the Mecca hostage affair; and the successor to Colonel de Marolles in the SDECE "Action" service, Colonel B., was appointed to go help the Tunisian Government defend itself against Libya's machinations. [Text] [Paris VALEURS ACTUELLES in French 18 Feb 80 p 16]

ARMS FOR INDIA, PAKISTAN--France is supplying arms to both India and Pakistan, the Indian subcontinent rivals. Thanks to a loan from Japan, Pakistan hopes to purchase 300 AMX-10 light armored vehicles and 500 AMX-30 medium tanks. On the occasion of the [French] chief of state's trip, India let it be known that it would like to obtain some Matra, Exocet and Milan missiles; some Dauphin helicopters and some AMX-30 tanks. [Text] [Paris VALEURS ACTUELLES in French 18 Feb 80 p 16]

OIL TALKS FORESEEN--[President] Giscard will talk oil with [Jordan's King] Husayn when he visits Jordan next month. Large oil deposits have recently been discovered in the northeastern part of the kingdom and a French company may participate in their exploitation. [Text] [Paris VALEURS ACTUELLES in French 18 Feb 80 p 16]

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COUNTRY SECTION

ITALY

POST-TITO SCENARIOS OF MILITARY READINESS

Milan CORRIERE DELLA SERA in Italian 28 Jan 80 pp 1, 2

[Article by Luigi Barzini: "If We Had To Think of Defending"]

[Text] For days and days after the report of Tito's illness, Bastiani Fortress has been in a state of alert and, even now, everything has not become normal. In Dina Buzzati's opinion, Bastiani Fortress was this newspaper's major editorial table when we were unknown youngsters and were waiting from hour to hour for some extraordinary event to occur which would have changed our lives. For our army officers Bastiani Fortress is now that brief stretch of our eastern border where the bulk of our defense is concentrated and where, scanning the horizon, we have been awaiting (fortunately in vain) the arrival of the Tartars for 30 years.

As is well-known, the Alpine arc defends the Po lowlands from the coast to a point north of Gorizia. There the mountains drop off and leave a rather broad, less inaccessible passage free, called by the NATO military "Lubiana Gap" or "Lubiana Corridor." It is the easiest entrance of any invader into the Po Valley, the natural route for numerous barbaric tribes in the early Middle Ages. Therefore, it is the sector of the NATO defense entrusted exclusively to our armies both because we know it perfectly well (part of the territory was Italy; World War I was partially fought in those areas; we have accurate topographical maps of those places) and because it is presumed that our army (like all others, moreover) would give the best results defending its own land.

On paper we are ready for everything. We have available for immediate deployment in that sector: three mechanized divisions, one tank division, a few Alpine brigades, one airborne brigade, one missile brigade and various anti-aircraft and logistical forces. Ready for what? In former general-staff studies we calmly prepared to confront the armed forces of a single country, that bordering ours. However, we must now face up to a whole range of uncertain hypotheses on our eastern border. If Tito (may God let him live a long time) should die, it is probable that Yugoslavia (constrained by the armed forces, the Internal Security Service and the party) would

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preserve its unity and continue its policy of a nonaligned country; or else, it may be divided among two or more factions, one part of which, or maybe all, could become aligned with the Warsaw Pact. In that case, we would have to face Soviet tank divisions lined up on the outskirts of Trieste. In case of invasion, we would find ourselves lacking even that advance notice of a few days which would enable us to arrange our defense more effectively. The various hypotheses do not all carry the same weight. Among other things, the experts take it for granted that, after Tito's death, Russian political and military pressure could be stepped up without necessarily resulting in an invasion. It is hoped that, after the occupation of Afghanistan, repercussions throughout the Western and Islamic world would make the Soviet General Staff more cautious.

The task assigned to Italy in the worst (and perhaps less probable) case, that is, a direct Soviet attack on our border, is extremely delicate but limited. We would have to stave off an invasion for whatever time is necessary to permit reinforcements to arrive from the interior and almost certainly from abroad. When will these reinforcements arrive? No one knows. Among the foreigners on the spot there is only a modest U.S. symbolic unit and various services. The provisions of the Atlantic Pact are vague; each nation must decide how and when it will come to the aid of an ally being attacked. Moreover, the need to prevent Italy's fall at any cost is so obvious that we can count on the relatively rapid arrival of NATO contingents and supplies. For what interests the others is not to save the "cradle of civilization" or the "mother of the arts" but the peninsula itself, the quay projecting into the Mediterranean, which controls the maritime communication routes between Gibraltar and the Dardanelles. To the east of Italy are Egypt, the Suez, Israel, Greece, Turkey and valuable sources of raw materials and fuels.

Are our armed forces up to their task? Undoubtedly, our armament, although insufficient, is extremely modern and adequate. Antitank and anti-aircraft weapons are particularly lacking. However, it is difficult to evaluate the morale of men and their training (as is known, the most perfect tank is worth only as much as the men inside). As always, it is impossible to predict how our units would perform in combat. Italians perform their best (in war and in peace) in desperate situations and under the eyes of foreigners, for they reveal unsuspected virtues and resources and turn out to be astonishing heroes (this is what we commonly call "the big star"). However, we cannot expect the heroism of a few to be the salvation of the entire country. The armed forces have been neglected for decades. The ministers of defense, who have come one after another (with one or two exceptions), can be categorized from mediocre to extremely bad. We spend proportionately much lower sums than all our allies (about half those of the Germans and English). Moreover, every year inflation decreases the true amount of the allocations to a worrisome degree, to the extent that, with the same funds, we must equip increasingly smaller units from year to year. The 12-month term of military service is inadequate to train men in the use of increasingly

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complicated, delicate and costly machinery (one tank costs more than 800 million lire). Lastly, limited available equipment does not permit adequate training. One tank may fire 15 shots in a year, insufficient to train a gunner. The remuneration of officers and noncommissioned officers is not sufficient to maintain the standard of living conditions necessary to attract capable men and take them out of civilian life. There are also serious difficulties in recruiting the personnel necessary to maintain the equipment. As is well-known, wages in Italy are never proportionate to the usefulness of the services for the common welfare, only rarely reward performance which is essential and vital for the nation, but reward almost exclusively the ability to alarm the government with strikes (as seen recently in the case of flight controllers). In return, the recruits of the last few years have been different from those of a few years ago: they are young, relatively more serious, willing, capable and well-behaved. In the end, it is difficult to predict the influence of parties closer to the ideals proclaimed by the Warsaw Pact on the morale of a large part of the youth at the moment of hostilities.

We have spoken only of conventional weapons for a war which would use the most modern weaponry except for nuclear weapons. The reason is that a decision to use the latter as a first resort is so fraught with mortal danger in the present state of affairs (it would open the way to reprisals and counterreprisals in increasing degrees, probably until there is total destruction of the belligerent powers and a large part of the industrialized world), that it is doubtful that it will ever be launched unless as a last desperate gesture, the gesture of Samson, by a power about to be annihilated and, perhaps, not even then. Their real value is the apocalyptic threat they represent, and which exists, filling the warehouses and storage bins with missile warheads.

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COUNTRY SECTION

ITALY

FIGURES ON PUBLIC DEFICIT REPORTED

Milan IL MONDO in Italian 7 Dec 79 pp 8-9

[Article by Claudio Torneo: "Miracle in Rome"]

[Text] When they made their first calculations during the last few days the treasury ministry and state accountancy experts did not believe their eyes. And to avoid errors they decided to recheck, item by item, the receipts and the expenditures of the state and other agencies whose accounts are included in the expanded public sector budget (state, state agencies, local agencies, railroads, postal service, and ENEL [National Electric Agency]).

The report supplement, which will delay until mid-December the submission of the quarterly treasury report in the parliament (the date prescribed by law is 30 November) has confirmed the initial impression: in 1979, for the first time in many years, the public deficit will be below expectations. The 36 trillion which several months ago was still considered rock bottom, will not be reached. The expenditure estimate for the expanded public sector (i.e., the money that the state borrows to meet the deficit) will hardly exceed 33 trillion and according to the most optimistic it could even stop at 31 trillion. It is a distinct improvement over 1978: the deficit is lower not only in real terms, that is, in comparison with national income, but also in absolute amount (the deficit last year was 33.8 trillion).

The surprise is even greater because with the sole exception of the Prometeia Bologna Forecasting Center and the CEPEC, the Studies Center of the PSI [Italian Socialist Party], the government, the Bank of Italy, and the majority of the experts were convinced that 1979 had been a particularly difficult year for public finance. The Pandolfi document preparatory for the plan had even hypothesized that the spontaneous deficit would jump to 43.1 trillion in 1979. And in order to squeeze the requirement to 36 trillion, the money bill had anticipated a drastic set of measures which, between cuts and the recovery of tax evasion, were to lead to savings to 6.5 trillion.

Not all of the provisions of the money bill have been actually put into effect (for example, the disability pension reform has not been passed by

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the parliament, and of the 3.35 billion in deposits of local agencies in banks, only 1.5 billion have come back into the treasury coffers). Nevertheless, the measures to hold down the deficit have succeeded beyond any rosy expectation. How has it been possible? The initial answers that can be gotten from the experts are still cautions and guarded. Some guess that the initial deficit predictions may have been overestimated, but most prefer to emphasize a series of accidental and in many cases nonrecurring events that may have unexpectedly improved the public balance-sheet.

Whatever the explanation, the fact is that with both receipts and expenditures many things have changed.

**Receipts.** This is the item where the surprises are chiefly concentrated. Tax revenue has increased much more than expected. Between direct and indirect taxes, at the end of the year receipts will amount to at least 50.5 trillion, perhaps 51 trillion. This is an increase of 3 trillion over initial estimates. It remains to be determined where the boom in receipts has been especially due to inflation that has swollen the tax base and driven the rates ever higher. But even the fight against tax evasion has not been entirely devoid of results: probably about 1 trillion have been recovered, mainly due to the greater revenue from the IVA [value-added tax] and the ILOR. Just as conspicuous has been the jump in receipts from the INPS [National Social Security Institute]. Many businesses which at first evaded part of the social security contributions, have begun to submit more truthful reports since the legislators have required that the tax code be included on the payment forms. The fight against tax evasion will bring the INPS at least 1.2 to 1.3 billion more in receipts, but there are those who maintain it will be even more.

**Expenditures.**

The expenditure picture is more difficult to interpret. The relative restraint that the analysis of the most recent figures has brought to light is due mainly to the stagnation of public investments and to the failure to pass the law that increases allocations for state participations (more than 3 trillion are involved). But something must not have functioned in the same way in the initial estimates of expenditures. After the increases granted by the government to government employees, who in the course of a few months have obtained first the 1976-78 contract settlement and then a bonus of some 250,000 lire each, the final balance for current expenditures should actually have been increased by at least 1 trillion. However, this was not so; evidently the greater outlay was compensated for by compressions of other items.

But what effect will the favorable public expenditures picture have on the deficit for next year? Will the deficit for 1980, expected to be 40 trillion, be positively influenced by it? These questions have remained unanswered, at least for now. Among the economists and the politicians, no one is inclined to commit himself until all the statistical details have been

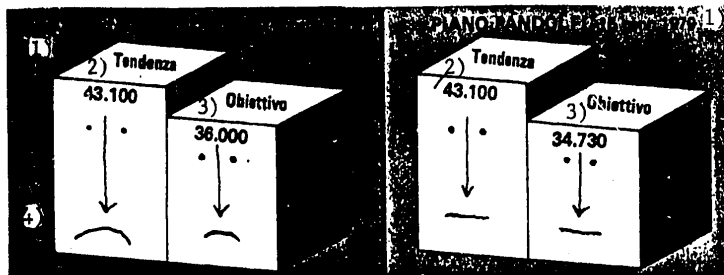
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released. "In theory," a government expert told IL MONDO, "it is possible that the deficit may go from 40 to 43 trillion because the expenditures that have not been made this year will devolve upon the 1980 balance; however, it is also possible that the 40 trillion will drop to 38 or 39 trillion." Everything depends upon the basis on which the predictions for these years were made: "If the initial estimate was correct, there is no reason to deceive ourselves; if, on the other hand, it was too high, now we can be a little less pessimistic."

In any case, in the light of the most recent developments on the deficit, and the many controversies that there have been about it during the last few weeks, the government and the PRI [Italian Republican Party] appear destined to retrench. In a document sent to Council President Francesco Cossiga, the republicans have accused the government of straying from the straight road indicated by the Pandolfi plan and of causing inflation to escalate with their lively financial policy. The government has responded in kind, maintaining that the deficit is under control and that in any case it is increasing at a much slower pace than the Pandolfi plan predictions. "I do not want to stir up controversy again," Mario Baldassarri, Cossiga's economic adviser, told IL MONDO, "but it appears to me that the latest figures show that there is, at least under conditions in Italy, an automatic and direct relation between public deficit and inflation rate." If this relation exists, how is it, Baldassarri wonders, "that in 1979 we had a higher inflation in the face of a public deficit that in absolute figures is below that of 1978?"

Public Deficit According To Prediction and Reality

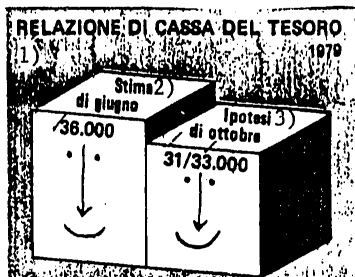


- Key:
1. Pandolfi Document 31 Aug 1978
  2. Tendency 43,100
  3. Objective 36,000
  4. In billions of lire

- Key:
1. Pandolfi Plan 15 Jan 79
  2. Tendency 43,100
  3. Objective 34,730

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Key:

1. Comparison of Treasury Cash 1979
2. June estimate 36,000
3. October projection 31/33,000

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COUNTRY SECTION

ITALY

CISL LEADER REITERATES UNION LINE

Milan CORRIERE DELLA SERA in Italian 28 Jan 80 p 2

[Article by Walter Tobagi: "A Union Bothersome to All Parties"]

[Text] At a time of second thoughts about Italian unionism, CISL [Italian Confederation of Labor Unions] has decided once more to follow the path of attack. Here is the gist of the organizational assembly which the Second Italian Confederation (3 million members) finished up in Rome Saturday. It was an assembly which served to deliberate on objectives and procedures for union action and to strengthen the leadership of Pierre Carniti, CISL's first secretary, who does not have the DC's [Christian Democratic Party] card in his pocket.

CISL's "anomaly" is explainable, first of all, by the following fact: in the history of all postwar Italian unions, this is the first time that a man not enrolled in any party has become a secretary. A person who, as Carniti did the other day, can vindicate the union's autonomy in almost brutal terms: "A union is autonomous when it is uncomfortable for all parties which count." Translated in terms of policy, this means that CISL declares itself favorable to a government of solidarity including the communists; at the same time, it maintains that, with regard to that possible government, the union should maintain the same independence and aggressiveness against any "social peace" which it has shown in past arrangements without the PCI.

Therefore, CISL's strong point is still the "specific nature" of union action seen as an essential element in the correct operation of the system: dialectics are an instrument of progress. The union exists inasmuch as it is autonomous and succeeds in expressing the demands of the labor world. From this logic comes the principle of incompatibility, giving the impression that trade-unionists cannot handle certain political assignments. CISL members consider this principle more sound than the Gospel.

In fact, 30 years after its birth, CISL gives the impression of having finally come up with a clear enough image based on the binomial "autonomy plus bargaining." We are quite far from the confederation first headed by

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Giulio Pastore and then by Bruno Storti which, in the 1950's, found its first raison-de'etre in a connection with the Catholic and DC world. And it seems that everyone has forgotten the clashes of the 1970's between the left headed by the industrial workers (first of all, Macario's and Carniti's metalworkers) and the moderate wing closer to the DC. After Macario's resignation, elected Christian Democratic senator last year, Carniti chose Bruno Marini, leader of the pro-DC wing, as assistant secretary.

Thus, the organizational assembly of Rome marks the consolidation of the leadership group of the "new CISL." And it makes evident the interweaving of values which this union is trying to express. The values of the best Catholic tradition, for which we speak of the "centrality of man." The values of industrialism and the bargaining system, which CISL's training schools have been teaching for more than 20 years with constant reference to the mature experience of more developed countries, beginning with the United States.

With this perspective in mind, it is only too obvious that CISL has every reason to recall its roots, firmly cast in the Western tradition. And Carniti deplors the glamorous influence which "true socialisms" exert on still sizable groups of workers, who do not succeed in grasping the nature of the Soviet system, "oppressive internally and violent externally."

For the CISL leaders, being Western does not mean accepting the norms of moderatism. On the contrary. Recourse to the experiences of advanced industrial societies implies a firm and effective use of the bargaining system. A type of bargaining which answers the needs of the workers, certainly not foreign political logic. And along this line, not by accident, we have the union proposals which emerged at the Rome meeting. Automatic pay increases are defended in an uncompromising manner, because they are the safeguard of the less privileged. But, at the same time, a willingness is expressed to increase productivity and permit a new accumulation of capital, essential to create new jobs in the South.

A substantial realism peeps out behind the ritual formulas. This is also expressed in the bargaining of an increasing, almost schizophrenic, separation between the union leaders, who draw up the major political strategies, and the vast majority of the workers. It is important that the initial report of Mario Colombo, one of the confederate secretaries, attacked these problems shamelessly. Acknowledging one's infirmity is the first step toward a cure.

CISL's model drastically rejects any "union centralism." And it demands room for total autonomy and the bargaining right for workers. There is no doubt that it is a profoundly democratic model. But it is also a model which does not go along with the aspirations of those who would like to restore the Italian economy by reducing the autonomous and reciprocating power of the unions.

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COUNTRY SECTION

ITALY

PCI'S MACALUSO ON ALLOCATIONS FOR THE SOUTH

Milan IL MONDO in Italian 7 Dec 79 p 18

[Interview with Emanuele Macaluso of the PCI, by Bruna Bellonzi: "This Fund Should Be Thrown Out"]

[Text] The attacks are raining from all sides. In recent days it has been the southern entrepreneurs, who, at a meeting of Confindustria's committee for the Mezzogiorno [General Confederation of Italian Industry], criticized the operation of the Fund and proposed radical changes in it.

Today the PCI takes to the field and asks in this interview with the man in charge of the southern section of the central committee, Emanuele Macaluso, about dissolving it. On the Fund for Southern Italy, in short, the controversy does not stop. On the contrary, the additional 4 trillion provided by the money bill for 1980 (IL MONDO No 45) has aroused still more criticism.

Question: Have you reached the conclusion that the Fund has been closed down and that special support measures in the South have had their day?

Answer: Support, no, but the system and the tools of this support, to be sure. Law 183 for the South, passed in 1976, was an attempt to tie the South's takeoff to national and regional planning sustained by the additional support funds. But the experience of these last 3 years has shown two things clearly: first, that there has been and there still is within the government forces themselves bitter resistance to planning, and second, that the Fund is not a tool capable of planning support measures such as those provided for by law 183.

Question: For example?

Answer: For example, the project for Naples, the project for Palermo, the project for the inland areas. How far along are they?

Question: Then what do you propose?

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Answer: First of all, the exact opposite of what seems to be the intention of the government and the present minister for the South. It seems to me that the line that Di Giesi and his government colleagues are using is the line of the past: since planning is bankrupt, since it does not work, we distribute taxes here and there, like rain, so to speak, even to complete minor projects. It smacks too much of an electoral climate.

Question: Electoral?

Answer: Precisely. The administrative elections are only 6 months off. And here all ready for 1980 is refinancing which, if removed from a planning framework, can serve to revitalize old and new customers.

Question: But the money bill is still not passed.

Answer: And as far as we are concerned, it will not be.

Question: How is that?

Answer: We communists will request the suppression of such expenditures.

Question: No more additional funds?

Answer: Additional funds, yes, but to be sent directly to the regions through regular channels.

Question: However the regions have not shown themselves to be better planners than the Fund.

Answer: I would say, rather, that the Fund has not demonstrated that it is more capable than the regions. Its passive surpluses surpass those of the regions. Of the 18 trillion allocated, 14 trillion of which are to be reserved for special projects and for the industrial infrastructure, the commitments actually made have been 2.06 trillion in 1976, 3.85 trillion in 1977, 3.549 trillion in 1978, and 1,846 trillion for 1979 (up to 31 October). Then the distributions made have been, respectively, 1,981 trillion for 1976, 2,406 trillion in 1977, 2,672 trillion in 1978, and 2,099 trillion through this past October. But it is a question of expenditures made also on the basis of appropriations provided by laws prior to law 183. Only 554 billion has as yet been distributed from the law 183 monies! In other words, every year the Fund accumulates about 1 billion in passive surpluses. For an agency created for the purpose of planning and financing special support measures, that seems to me to be a horrible result! For the future it is necessary to consider something different.

Question: The PCI has a proposal of its own?

Answer: Yes. Here is the general idea: 1) Special financing is included in the national planning; 2) this financing is managed by those who concern themselves with the planning. That is, the president of the council, the

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economic ministers, and the planning agencies should be responsible for it; this excludes the presence of a minister for the South; 4) the recipients of the support should be the regional programs.

Question: But you yourself have acknowledged that there is a regional obstacle.

Answer: The functioning of the regions is a political problem and it is necessary for the southern populace to shoulder the responsibility for it. We are talking about the administrators who do not administer and those who administer poorly are right in front of their eyes, and they know them by name. So we call upon them to meet their responsibility. The administrations must be made to perform.

Question: But the planning of large support measures, even interregional ones, is a task that lies beyond the real, actual capabilities of the regions.

Answer: I think so. But dissolving the Fund (which even so should manage the completion of the work in progress) does not mean giving up a tool capable of helping the regions.

Question: What do you have in mind?

Answer: Many suggestions can be made. One could be to establish an agency with a superior planning capability. It could be created by the regions themselves in coordination with the central government.

Question: You mean a new Fund?

Answer: No, a planning agency and a not spending agency.

Question: And how about the 3,500 personnel on the staff of the Fund?

Answer: A small portion could be assigned to the so-called agency. Another portion could go to the technical machinery that the regions should have. A third portion, finally, could be absorbed by the state machinery.

Question: There is one of the Fund's activities that is left out of this plan--the distribution of incentives to the enterprises.

Answer: Even here things must be put back in order. In the tools and in the system.

Question: Please explain.

Answer: There is a myriad of holding companies operating in the South and for the South: national ones (INSUD, FIME, FINAM), regional ones, and special credit sections of authorized banks. Too many. Nationally, two are sufficient--one for industry and the other for agriculture.

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Question: These are the tools. How about the system?

Answer: The system has been changed. First of all, it is sufficient, with the incentives with no strings attached. Too many payments have been made to too many persons.

Question: Then it is sufficient with the subsidies with no strings attached. But how about for the others?

Answer: It is necessary to establish objective criteria, reduce the discretionary aspect, make the entrepreneur responsible.

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