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Bettino CRAXI
(Phonetic: KRAHKsee)

ITALY

Prime Minister-Designate
(since July 1983)



Widely known as an ambitious, aggressive, and calculating politician, Bettino Craxi is the first member of the Socialist Party (PSI) and only the second non-Christian Democrat (DC) to head an Italian Cabinet since World War II. (He leads a five-party coalition government, which includes the PSI, the DC, the Republican Party [PRI], the Liberals, and the Social Democrats.) His designation as Prime Minister brings to five the number of governments on NATO's "southern flank" that are led by Socialists. (The other four are the administrations of Andreas Papandreu in Greece, François Mitterrand in France, Mario Soares in Portugal, and Felipe González in Spain; all five have taken power in the past two years.) Craxi [Redacted] stands firm in his support of the Alliance, and on the basis of his past statements and actions (discussed later in this paper), we do not expect him to institute major shifts in Italian foreign policy. One of the few major areas of the world on which he differs with US policy is Latin America. [Redacted] he disagrees with the US interpretation of the causes of that region's problems and that he favors a political settlement there. [Redacted]

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Head of a party that received only 11.4 percent of the vote in the June 1983 national elections, Craxi was able to obtain the premiership, according to most press accounts, because the DC could not form a viable coalition without either the support or the abstention of the PSI. [Redacted]

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[Redacted] That party may not be able to avoid all responsibility for economic difficulties, however, [Redacted] a majority of the government's economic portfolios will probably go to the DC. [Redacted]

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[Redacted] Craxi is pragmatic and down to earth in his approach to problems, in contrast to many other Socialists, who indulge in ideological cant. In addition, [Redacted]

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[Redacted] Craxi will act like a government manager and will be willing to negotiate and compromise as necessary to make his administration endure longer than its predecessors (which have lasted less than a year, on the average). [Redacted]

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The Road to the Top

Although Craxi was a protege of the late Pietro Nenni, the "grand old man" of Italian socialism, he is only 49 and represents a generational change in the leadership of the PSI. [Redacted] when Craxi took over the party leadership in 1976, the PSI was suffering from factionalism, weak leadership, and a history of wavering between alliances with the DC and the PCI. [Redacted] he has many of the talents of a [Redacted]

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born leader and in less than seven years gained control of the party apparatus by changing party statutes and appointing his trusted aides to key party posts. In the process he discarded the PSI's traditional leftist ideology in favor of what he called a moderate, pragmatic approach more attuned to the needs of contemporary Italy. He thereby made the party into a political organization capable of playing an important role in the country's governing process.

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Craxi is respected by admirers and critics alike for his courage and determination to get to the top. Some Italian politicians dislike Craxi's tactics and are not convinced that he is fully committed to being a moderate democratic alternative to the DC. Often accused by both supporters and critics of being authoritarian, he describes himself as disciplinarian—a quality he attributes to his German ancestry. His ambitiousness and what some view as his dictatorial behavior in attempting to swing the PSI to the right have made him enemies both in and out of the party. Some politicians are afraid that what they view as his penchant for seeking political advantage may result in his making opportunistic policy changes.

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Foreign Policy Views

INF

In December 1979, despite the generally neutralist and pacifist attitudes of PSI leftwingers, Craxi had been able to provide sufficient PSI support in Parliament to commit Italy to participate in the NATO program to modernize its intermediate-range nuclear forces (INF). In March 1983 the Italian press quoted Craxi as saying that it was senseless to ask the United States to suspend its missile-basing preparations as long as the Soviet Union was continuing to deploy SS-20 missiles. It was nevertheless necessary, he continued, to be patient and prudent in arms control negotiations with the Soviets, because in seeking to prevent the use of nuclear weapons, one must always keep in mind the alternative. The Prime Minister unequivocally supports INF deployment. deployment could be delayed even after the necessary bases have been constructed. however, that Craxi has assured his coalition partners that he is absolutely firm on INF deployment. the only possible threat to deployment would come from Parliament, where extreme-leftist fringe parties could push for a debate and a vote on the issues.

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The Pipelines

Craxi and his supporters have been instrumental in prolonging the Italian Government's "pause for reflection" in the decision on the Siberian pipeline project. This PSI stand has been based on concern about Italian dependence on Soviet energy sources and about Soviet demands for low-interest grants to finance the project. In addition, the hesitancy on the Soviet project has also stemmed from the fact that many PSI members stand to benefit financially from a gas pipeline deal between Italy and Algeria.

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The Middle East and North Africa

[Redacted] Craxi believes that Italy should expand its economic and political relations with the countries in North Africa and the Mediterranean basin. Friendly toward Israel, he nevertheless publicly supports Palestinian participation in the Middle East peace negotiations. He has also publicly supported Italy's agreement with Malta supporting that country's neutrality. [Redacted]

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Latin America

[Redacted] Craxi believes the United States focuses too much on Soviet involvement in Latin America and not enough on what he views as the region's genuine social problems. He has said this country fails to appreciate the potential for instability inherent in lagging economic and social development, not only in Latin America but also in other parts of the developing world. [Redacted]

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The European Communities

Craxi has been a strong public advocate of European integration. He has [Redacted] that Italy has not pursued its interests in EC and other regional and international forums with sufficient initiative and aggressiveness. [Redacted]

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Views on Austerity

In view of Italy's double-digit inflation rate, soaring budget deficit, rising unemployment, and increasing labor costs, we believe that the most difficult problem facing Craxi and his coalition partners is how to act in concert to tackle these problems. In their public stands on such issues, the coalition parties can be roughly divided into two groups:

- The DC favors stringent anti-inflationary austerity measures even at the cost of jobs. This view is supported strongly by the PRI and somewhat less strongly by the Liberals.
- The PSI agrees that a degree of economic discipline is necessary but focuses more on creating jobs and developing the economy than on controlling inflation. The Social Democrats tend to support this position. [Redacted]

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Craxi has said publicly that it is necessary to bring Italy's inflation rate down to the international level, but he and his advisers have been vague about their approach. He [Redacted] claims that the traditional structural (built-in) deficit will in time correct itself through the growth of economic activity. He says that the budget deficit can also be reduced by bringing interest rates down and that lowered rates would in turn reduce the part of the budget devoted to large interest payments on the debt. In his campaign statements, Craxi said he favored increasing the penalties on tax evaders as a way of increasing revenues. His economic program does not call for any further nationalization of industry; his emphasis has instead been on making the public sector work more efficiently in its present form. According to the Italian press, although the program of the current government is generally opposed by the Communist Party (PCI), the leader of the influential, PCI-dominated Confederation of Italian Labor has described the Craxi administration as a "new, positive political development." [Redacted]

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Attitude Toward the PCI

Italian biographers of Craxi say he has a deep-rooted distrust of the PCI apparatus that dates back to 1948, when the Socialists, in alliance with the Communists, were decimated at the polls. He has said openly that the great size and excellent organizational discipline of the PCI would relegate the PSI to the role of junior partner in any PSI-PCI alliance. [Redacted]

[Redacted] any dealings that Craxi currently has with PCI leaders are intended only to appease leftist elements in the PSI and to increase his leverage with the DC. [Redacted] Craxi has said that the PCI has distanced itself somewhat from the Soviet Union, but not enough, in his opinion, to be an acceptable governing partner for the PSI. He reiterated this point in a speech to PSI regional leaders in Genoa in March 1983. (Since assuming the PSI leadership, Craxi has replaced the party's hammer and sickle emblem with a red carnation.) [Redacted]

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Institutional Reform:

Craxi made institutional reform a prominent issue in his electoral campaign, and he placed at the top of his agenda proposals for direct election of the president and reduction of the presidential term from seven to five years. Such changes, he said publicly, would increase the president's role as a stabilizing force. Craxi has also stated publicly that he favors reducing the number of parliamentary deputies, modifying the rules governing their election, and reorganizing the functional responsibilities of the two chambers of Parliament so that the Senate would have most of the economic and financial powers. He and his colleagues have advocated restricting the use of the secret vote in Parliament, increasing the powers of the prime minister, reducing the number of Cabinet ministers, and authorizing the administrative regions in the country to raise some of their own revenues. We believe that despite these ambitious plans, the instability of the Italian political system and the press of other issues will prevent Craxi from implementing most of these reforms in the short term.

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Early Life, Career, and Travel

Born in Milan, Craxi attended a Catholic boys' school for 13 years and, according to Italian biographies of him, seriously thought of becoming a priest. These biographies indicate that he was transformed from a potential activist cleric to a militant Socialist when his father, a Socialist activist, was driven underground by the Fascists. Craxi subsequently became a law student and joined the PSI youth movement. He later became secretary of the party's Milan Provincial Federation and Lombardy Regional Federation. He was elected to the PSI Central Committee in 1957 and to the party Directorate in 1965. He became national vice secretary of the party in 1969 and national secretary in 1976. [Redacted]

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A member of the Milan City Council from 1960 until 1970, Craxi served during those years as the city's comptroller and later as head of its social welfare department. First elected to the Chamber of Deputies in 1968, he later served on its Committees for Foreign Affairs and for Emigration and as president of the PSI parliamentary group. A vice president of the Socialist International, Craxi has, according to press accounts, used his participation in SI activities to enhance his standing as a political leader and to demonstrate his credentials as a moderate, responsible Socialist. [Redacted]

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Craxi has exchanged visits with Socialist leaders from Germany and France and with Labor Party leaders from Great Britain. Within the past few years he has traveled to Romania, Yugoslavia, Canada, Israel, Somalia, and Algeria; he has also vacationed in

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Tunisia, where it has been widely reported that he has a home. Craxi has made several visits to the United States, including a trip in 1961 to attend the World Conference on Local Administration in Washington and a visit the following year to Chicago to represent Milan at a ceremony celebrating their "twin city" relationship. In both 1971 and 1975 he was recommended for an Educational and Cultural Exchange Program grant to visit the United States but was unable to accept either time. [Redacted]

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Personal Data

Craxi has written *Socialism and Reality, Nine Letters From Prague*, which deals with the fall of Czechoslovak leader Alexander Dubcek, and *Socialism From Santiago to Prague*. According to press articles, he has expressed admiration for Giuseppe Garibaldi, the hero of Italian independence; John F. Kennedy; and Salvador Allende. Craxi reads French and says he draws much of his information on world events from the Italian and French press; he has a limited knowledge of English. He has said he has little time for hobbies but enjoys watching televised soccer games, playing the guitar, singing folk songs, and reading works ranging from Hemingway to Dostoevsky. [Redacted]

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Craxi, who is 6 feet, 3 inches tall, is an imposing figure. He regularly appears in public in jeans, open shirt, and field jacket. A hard worker, he collapsed during the 1976 national election campaign and was hospitalized for a short period. [Redacted]

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Craxi is married to the former Anna Maria Moncini, who, he has said publicly, fully shares his political, social, and humanistic ideals. (In his public statements he has said he views women as hard working, determined, and full of intuition and imagination and favors bringing more women into the PSI.) The Craxis have a son, Bobo, and a daughter, Stefania. [Redacted]

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