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TRANSLATIONS ON WESTERN EUROPE
(FOUO 5/79)
THE 'THIRD WAY': ITALY'S NEW POLITICAL ROAD



WEST



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THE 'THIRD WAY': ITALY'S NEW POLITICAL ROAD

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ITALY

PHILOSOPHICAL, IDEOLOGICAL PRECEPTS OF THE 'THIRD WAY'

Definition of 'Third Way'

Rome LA REPUBBLICA in Italian 23 Aug 78 p 6

[Article by Alberto Asor Rosa: "Between Berlinguer and Craxi..."]

[Text] The importance of the interview given by Enrico Berlinguer to LA REPUBBLICA has not yet been fully evaluated. Many prefer to ask the PCI [Italian Communist Party] for an accounting in purely ideological terms, demanding a little more or a little less Leninism, as the case may be, as if--for a big mass organization, which has a long history behind it and which today has something like 1.7 million members--an ideological revision were something that could be done by having a group of intellectuals sit down around a little table or by means of edicts from its central committee, rather than a process of continuous transformation through a confrontation with reality and with other political forces.

We suspect that the fact that the debate keeps slipping back to that abstract ideological terrain is one way of pushing aside the most important and the newest political aspects of Berlinguer's remarks which, in my opinion, are above all two. 1. The statement pertaining to the strategy of the historical compromise which is defined as the effort to create a coherent democratic constitutional framework within which--after the elimination of the prejudice against admitting the communists into the country's government--diverse political and social forces could completely recite their respective parts, making and unmaking alliances according to their possibilities and according to logic, within a context of national solidarity. The suspicion to the effect that the historical compromise would signify a privileged alliance, within the administration as such, between the PCI and the DC [Christian Democratic Party] thus can be ruled out. A historical and critical look back at the past, which, as in all ambitious speeches, serves to revive also a long-range strategy, within which the "third solution" and "Euro-Communism" are closely tied together.

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In this way, Berlinguer at the same time again proposed the most urgent issue (the issue of the administration as such) and the most long-lasting and most significant issue (the prospects as to what comes after, the judgement on capitalism, the idea of how socialism can be shaped up specifically on the basis of the political and social processes currently under way). And he again proposed these issues in a problematical and open fashion, something which is rather unusual among our politicians, something that looks like the nicest invitation to open a serious debate on all of the basic issues of left-wing politics in Italy and Europe.

I confess that I am still rather startled by the reactions from a portion of the present socialist leadership group to the Berlinguer interview. For anybody who, as I do (and I will try to explain that better later on), can see the full importance of the socialist issue, it is cause for growing perplexity and preoccupation to discover that there is a tendency underway to resolve the most serious and profound ideological and strategic problems with gestures of intolerance and ostentatious downgrading. It is however comforting to know that many voices of socialist intellectuals have been raised in an effort to view the Berlinguer interview in the only serious way possible--which is to discuss it; I might be permitted at this point to recall that the wide gap between cultural and theoretical debate, on the one hand, and practical politics, on the other hand, is one of the most immediately recognizable signs of moments of incipient crisis in the presence of the socialists in Italy.

Berlinguer heavily emphasizes the peculiarity of the Italian situation and in equal parts blames it on the political presence of the Catholics and that of the communists ("in Italy we have a Catholic issue with absolutely peculiar features and we also have a communist issue with just as peculiar features"); but, at the same time, we can see very well that the Italian communist strategy for the development of democracy and the democratic transition to socialism assumes a precise historical meaning only within a "definitive European choice" and becomes something more profound and something more lasting than a simple tactic to resolve the congenital ills found in the Italian crisis.

Here we however have a problem which consists in the difficulty of placing the "Italian peculiarity" within the European context where it runs the risk of representing a highly circumscribed and particular situation, difficult to generalize in political and perhaps also social terms. It suffices to think here, on the one hand, of the rather more relative weight which a Catholic issue has in Europe and, on the other hand, the theoretical and political weakness of many of the forces which in Western Europe call themselves communists, the most conspicuous among which, after the PCI--that is, the PCF [French Communist Party]--is at this very time fighting a battle against the expansion of the Common Market, under a slogan such as "Live in Your Own Country," "Produce French," which, behind the incredible chauvinism and peasant attitude of this formula, seeks to conceal the almost absolute lack of prospects.

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My impression is that, on the road of Eurocommunism, the Italian communists are destined to run into the socialist issue in Europe, just as, by the way, the European socialists, stepping down from Europe into Italy, will be increasingly obligated to meet with and compare themselves to the PCI's Eurocommunism.

But this of necessity again, as far as the communists are concerned, brings up the problem of the unity of the left, in a somewhat preliminary fashion, and, hence, first of all, the problem of relations with the socialists, because, if these relationships do not work, if this unity is not brought about, then the entire line of development of democracy and of the social forces as well as the line of the conquest of power, as outlined by Berlinguer in his interview, will be all tied up in knots. On that score one could very calmly admit that the Italian communists, over the past 2 years, have not always been as clear as they should have been.

But there is no doubt, as some people have been saying for a number of years, that relations with the socialists and possibly with all those forces of the left, which are interested in the development of that dialog, will not make any progress if they move within the short range of tactical solutions, no matter how important they may be at the time.

This is the topic complex which Berlinguer proposes, outlining for the Italian communist a search for a "third way," "which is demanded by the impossibility of acquiescing in today's worldwide situation": a worldwide situation, mind you, not just simply the Italian situation.

The simplest and most frequently repeated objection to that point in the remarks made by Berlinguer is that he is making a statement without giving it any content. But is this weakness to be found in Enrico Berlinguer and the Italian communist alone or does it not extend to the entire Italian and European left, to the point of becoming a distinctive feature of this historical moment?

If ever, Berlinguer can take the credit for having put his finger on it or, if you prefer, for having pulled the skeleton out of the closet; but once the problem has been stated clearly, why not honestly admit that we are facing a vertical crisis in what Claudio Napoleoni calls the highest system and the demand for a global requalification of all of the traditions of the left in the face of the problem of government power in Europe?

If it is true that we are in a transition phase, such a transition is certainly not first of all a transition from capitalism to socialism but rather a transition from an immense and rather secular [centuries-old] political-conceptual apparatus of analysis, judgements, categories, and values, to another apparatus which is bound to be just as immense and just as definite and articulated but, in a certain way, different from the preceding one.

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Some socialist intellectuals, who became involved in the debate, revived the idea of the project draft. I must say that I am not precisely thinking of that when I am talking about the cultural and theoretical debate. The (socialist and communist) drafts have been presented to us but neither one of them turned out well nor, in my opinion, could they turn out well; the essence of the draft as a matter of fact does not consist in selecting a series of guiding ideas according to generally tenable criteria, in collecting them in a little book and then publishing them.

The "Manifesto" is less important than "analysis" and "criticism" and it still comes or should come afterward. We are short of ideas as to our future prospects and we are even deficient in the identification of values, not because we have little capacity for guessing but because, in spite of everything, we still know too little about the real forms of government power, about the way the economy works right now, about the tie-in between the terminology and languages through which the diverse forces express themselves and gather together--and in response to every social explosion or economic crisis that breaks out, we once again, all of us here, find ourselves expressing our astonishment.

I will not be the one to deny the importance which the instruments of the respective (socialist and communist) traditions can still furnish us: but I am beginning to ask myself whether, in the long run, we might not need a more profound cultural revolution in order to express the needs which the "third way," outlined by Berlinguer, necessarily introduces into the equation. On that day we will have to ask ourselves what the term "left" means in Europe.

Analysis of 'Third Way'

Rome L'ESPRESSO in Italian 10 Sep 78 pp 10-13

[Article by Lucio Colletti: "Stop! You Cannot Cut Lenin's Beard Any More"]

[Text] 1. In October 1977, no more than 10 months ago, the newspapers published the text of a letter from Berlinguer to the bishop of Ivrea. The letter announced the revision of Article 5 of the Charter at the coming PCI congress. In addition, it contained a very significant statement of principle. The PCI--Berlinguer declared--is not only a "lay" party but it is also a "nonideological" party.

It is not always easy to interpret communist documents. In this case, however, the assertion could not trigger any doubt. The PCI was not denying Marxism. But it refused to accept it as its "ideological creed." It did not entrust its identity to that but rather to the political program. With respect to the ideologies, it had moved itself to a different plane.

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It was clear what the basic implications of the letter to the bishop of Ivrea were going to be. This was more than just a revision on Marxism. It was a profound modification of the nature of the Communist Party. On that last point, as a matter of fact, it declared itself to be a "nonideological" party and ideological creeds thus decline to a private matter. The party behaves toward the ideologies the way the lay state behaves toward the religion. It is above them and outside of them.

2. It seems to me that there is no doubt that the Berlinguer interview in LA REPUBBLICA of 2 August marks not only a stop in that direction but a definite step backwards. The interview undeniably represents a reaffirmation of the Leninist nature of the PCI. Berlinguer declares here verbatim: "The lesson which Lenin taught us, in working out a true revolutionary theory, seems to me to be entirely alive and valid." If one really believes that all of this is compatible with the assertion as to the "nonideological" nature of the PCI, then it will be necessary to rewrite the dictionary of the Italian language, assigning a new meaning to all words.

I am just going to skip over the political motives behind this "hardening" (and on the benevolent lack of attention on the part of newspaper reporters and commentators, in not wishing to stress it). The fact that seems to me to be rather grave is not that the PCI is Leninist or non-Leninist. The grave fact here is that from here on in we no longer understand anything. Is the PCI Leninist or is it not Leninist? Is the party ideological or is it nonideological? Anybody who wants to derive an answer to these questions from the various official documents will find this to be an impossible job. The PCI enters and leaves ideology the way each of us steps into and out of his bathtub in his own home. It is difficult to imagine how all of this might be reflected in the minds of the simplest militants or what the rank and file could conclude from that. The one thing which, it seems to me, is clear is that we are dealing here with a defect of democracy: whether democracy also implies the duty to talk clearly and to make oneself understood by the people.

3. The Berlinguer interview has produced a response from Craxi. Or, to put it better, the "competitive" spirit displayed in recent times by the PSI [Italian Socialist Party] have produced Berlinguer's response; the latter, in turn, produced a response from Craxi. In the interview, Berlinguer--in addition to reasserting the validity of Leninism--came up with a rather scornful evaluation of the "cultural confusionism" of the socialists. In replying to him, Craxi pointed up the other tradition of the worker movement, the social democratic and social-liberal tradition, moreover adding the criticism which the Luxemburg woman and the Mensheviks levelled against Leninism.

Anybody else would have said: This is the way things usually are run. Not so! Craxi did not quote Marx but instead quoted Proudhon. This indeed is the end of the world! Some people shouted about the manumission of the

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"nature" of the PSI. Some people said that Craxi had cut "the beard of the prophet" and that he wanted to make an attempt upon the "peculiar" ideological tradition of Italian socialism. Result: 10 months ago, the PCI could proclaim itself to be a "nonideological" party; today, the PSI, which had not been that for more than 20 years, instead must declare itself to be a "Marxist" party. These are the mysteries of Italian politics. Just 10 months ago, the biggest left-wing parties tried to cast off the fetters of ideology; today, the entire left is instead bubbling in that broth. Marx or Proudhon?

But these (fictitious) battles are not the real thing. De Martino rises in defense of the Marxist foundation of the PSI. If our memory does not deceive us, it was he who guided the PSI toward unification with the social democrat. He was co-secretary of the unified party, together with Tanassi. Now nobody realizes that this unification was brought about on that "foundation."

4. The PCI cannot stand the term "social democracy." That is its privilege. The only objection which one might raise once again here is this: if it wanted to, it could understand. Well, let us see. The PCI accepts pluralism, the plurality of parties: not only of parties prepared to march toward socialism, but also of those going the other way. Let us assume that it and the coalition of parties prepared for this switch prevail in free election. The PCI will come to power. It will--let us assume--adopt measures nationalizing the bank and the big corporation; it will put limitations on agricultural properties. This will mark the beginning of the transition. After several years, however, the coalition guided by the PCI is beaten at the polls. Parties opposed to socialism now come to power. They return to private control what had been nationalized. This roughly is what happened in Great Britain and Sweden. In theory (in practice I have my doubts that this would happen in this way), the PCI would find itself in the same condition as the social democracy. Where would the difference be? The moment the PCI declares itself to be in favor of a plurality of parties and in favor of respect for the principle of the majority, the moment it does that, it is already a social democracy. Is there any room for Marxism and Leninism then?

The PCI objects that the social democracies confine themselves "to managing capitalism." One could also reply that they changed it, quite a bit; so much so that the Marxist-Leninist categories no longer bother us. But, let us go on. If, when forced into the minority, the PCI leaves the administration to the parties that want to return everything to private ownership, then it, likewise, will be accused of merely having "managed" capitalism. If, instead, it refuses to yield power, we will once again be facing the dictatorship of a single party.

If we are to believe the declarations of principle, then the PCI today already no longer contains anything Leninist. But it is also true that it no longer is social democratic either. It is not that, for two reasons: one of these reasons is the international link and the other one is the internal party system. The latter, nevertheless, is not Leninist. Lenin did recognize

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currents. It is only Stalinist although it features an enormously sweetened Stalinism (how could one otherwise explain that anybody who starts to talk in the Central Committee right away declares himself to be in agreement with the secretary general?).

5. Since 1956, the PCI has loved to present its ideological position statement in terms of great "creativity," profound "hard work," and progressive theoretical "discoveries." This is supposed to be a grandiose "work in progress." It brings up big names, somewhat by chance, but nevertheless unsparingly: Machiavelli and Cavour, Vico, Marx and Lenin, Labriola, and Gramsci. The illiteracy of the press often echoes it. But my impression is different. For the past 20 years, the PCI has very slowly been moving toward a revival of the discussion on the basic principles which prevailed at its birth. It is thus moving under the weight of a serious historical defeat: the failure of "socialism" in the Soviet Union and in all of the countries of the East. It is thus marching backwards. What it should discover is already plain for anyone to see. Its travails only spring from the difficulties and from the need for having to make a decision. It is not by chance that the really "new" thing which the PCI has produced is merely the impossible accumulation of Leninism plus social democracy.

In his interview, Berlinguer spoke of the "third way." Not "real socialism" and not even social democracy. But history is impious. There is no such thing as the "third way." It does not exist in reality and it does not even exist as a theoretical model. There are no ideas worthy of the name which would today lend substance to an alternative to the system prevailing in the industrial countries of the West. Anybody who is not trying to fool himself must realize that, in spite of the many kilograms of congress theses presented by the PCI since the Eighth Congress, the way in which the "new-type" socialist society is to be built remains a mystery. How will the economy be regulated? How will the market and the plan be reconciled? How will income be distributed among the strata and classes? How and to what extent will political pluralism imply economic pluralism?

Sometimes it seems that the Italian communists do not want to drop the idea of "breaking out" of the system. But, beyond that system, there is only "real socialism." Anybody who does not feel the desire to embrace it had better not waste his time figuring out an alternative "to the" system but should rather devote himself to the much more important task of finding alternatives "within the" system. That is the road of reform. But the Italian left could really embark upon that road (and this is also true for the PCI) only on the day on which it has the strength to emerge from the fog of ideology.

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Socialist Perspective

Rome LA REPUBBLICA in Italian 8 Sep 78 pp 1,2

[Article by Francesco De Martino: "Only The Right Gains From The Polemic Between Craxi and Berlinguer"]

[Text] With this article, Francesco De Martino enters the ideological and above all political debate between the socialists and the communists.

I would like to try to handle the by no means new debate, which has broken out within the left and in the PCI--with my feet firmly planted on the ground and I would like to try to avoid following the example of those who are not miserly in their judgements and condemnations of those who dissent.

I still ask myself what the political purpose of what has been defined as a summer offensive really was, an offensive which began immediately after the success of the socialists in electing their man to the office of president of the republic, in other words, the interview given by party vice secretary Claudio Signorile who very clearly asserted the lack of legitimation on the part of the communists when it comes to joining the alternative administration. The party secretary's remarks on Leninism opened up many other problems and involved the very concept of socialism itself.

Nobody wants to believe that there was a need for revealing that the Socialist party rejects Leninism because that has been and remains beyond discussion, at least from the 1957 Venice Congress on. The political meaning therefore was a different one and consisted in a challenge to the Italian communists to remain Leninist and from that to underestimating the so-called Eurocommunism it was only a short step and that step was taken during the television debate a few days ago when Craxi himself asserted without euphemisms that Eurocommunism was nothing but an articulation of the pro-Soviet communist movement. The political implications of such a judgement--if the words have any meaning at all--are obvious.

That the communists are not yet clear on problems that are not secondary and maintain noteworthy ambiguity in choosing between the past and the present is something that turned out to be quite evident from all of their positions. The Berlinguer interview in LA REPUBBLICA was an example of that, when he tried to reconcile the historical demand for legitimacy, for the Livorno split, and Lenin's revolutionary theories, with the present positions of the Communist Party and its choice in favor of a Western-type democracy. The PCI was certainly going to be criticized on account of that ambiguity. But one cannot ignore the fact that the discussion not only involves an observer intent on safeguarding the entire heritage of the past but is also aimed at promoting a revision process.

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It seems to me that, among the many affirmations which are debatable and worthy of criticism, there is one which is of great and positive importance; here it is: "For us, on the other hand (I would like to emphasize the words: on the other hand, that is to say 'in contrast to Lenin') democracy (including the so-called formal freedoms which were initially won by the bourgeoisie) is a value which historical experience demonstrates to be a universal and permanent value and which, consequently, the working class and the communist parties adopted as their own and must assert also within the context of the construction of a socialist society."

This declaration has much in common with the one that was made by the Socialist Party at the 1957 Venice Congress when the universal value of liberty asserted itself above all through the impetus given by Nenni for the vigorous criticism of the Soviet political system. And the big step forward, needed to overcome old dogmatic positions, was the reaffirmation of the inevitable relationship between liberty and socialism which only a mechanical and deterministic concept of Marxism could cloud and which the historical characteristics of "real socialism" had entirely wiped out.

Given these premises, the problem of the Italian worker movement and of the left, as I see it, is no longer the problem of Livorno in 1921 but rather the problem of the times during which the Kautsky-Lenin polemic broke out between social democracy and Bolshevism. The problem is quite different and consists in a search for a type of social, economic, and political organization which will guarantee maximum equality and liberty. This is the context within which we face the topic of the third way, between bureaucratic collectivism and capitalism, between the Soviet system and social democracy, the latter understood here no longer in the original etymological sense of a democratic socialism but rather in the historical version of the 20th century, that is to say, in the acceptance of the capitalist system, even if only to improve it and renew it.

We must admit that we are all very far behind in the cultural and political development of that third way and we are even more behind in the development of democratic transition methods. We do not really know to what extent the private ownership of the means of production must be remained, how the process of economic development should be directed, and how one can reconcile the need for a central guide, indispensable in any planning effort, with the antibureaucratic demand of socialism, and how a socialist market could function.

In connection with this I must remind Luciano Pellicani that the usefulness of a socialist market was sustained by the Italian economist Pietro Barone, that it was picked up again by Sandro Petruccione in MONDO OPERAIO about 20 years or so ago, when, without any big noise, it led to something that was also a theoretical elaboration; besides it was recently supported by me in an article in AVANTI! This socialist market surely demands a certain degree of freedom for the consumers and the producers but must the latter

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necessarily be private or can they also be socialized [nationalized] organs of the economy? The centralism of the plan and of self-management are the terms of the problem and they are far from resolved also because we lack any kind of concrete experience and because the Yugoslav experience cannot be adopted in view of the profound diversity of that country's political system.

On these and similar topics--not to mention the very timely topics of the economic crisis and the government program--a debate within the left would be a healthy thing while the terrain which has been chosen belongs rather to historical investigation which, I would not say, does not have any political value of its own, but which can become rather distracting if it is used to judge the current behavior of the party.

The "new thing" to which the PSI, but not only the PSI, can and must aspire, that new thing resides in the reality of our time and it makes little sense to quote Prudhon against Marx or all of the others whom one could cite, in order to have a political guideline and a modern doctrine of socialism which would not be statist, which would not be bureaucratized, which would not be authoritarian, but which would always be socialism, that is to say, offering maximum liberation of man from any oppression or any economic, social, and material limitation.

We must recognize that a discreet confusion of ideas has emerged in the course of the debates. Outstanding personality did not hesitate to suggest the construction of a social democratic party; others talked of a third way without specifying it; still others, such as Riccardo Lombardi, expressed very correct considerations on the uselessness of bitter debates about the antecedents and about the nature of socialism, very much different from those maintained in Craxi's remarks but at the same time they justify and approve the latter.

Pluralism certainly is very valuable but it is also necessary that we have clear ideas and avoid confusion at least on the nature of a party. Nor are we going to suggest that Italy, although it is an industrialized country in the West, has features of its own and is still full of great and profound contradictions and inequalities, with entire geographic areas caught in a situation of backwardness, with a particular political system; it is not enough to go back to the examples of mythology to understand the reason for this; it is necessary to pursue the investigation to the end, amid the reality of social relationships, within the unequal economic structure, within the grand idea and cultural currents which sprang from the Risorgimento and even further back. One of these is socialism which never yielded to Croce's philosophy of "liberating liberty" but which firmly maintained that there cannot be any full and real liberty if we do not eliminate the material conditioning factors depending not only on misery--which can also be overcome under a system of modern and mature capitalism--but also on social inequality and the existence of economic power concentrated in the hands of private owners or the bureaucracy.

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The present-day problems are even more urgent. How could one fail to realize that the increasingly bitter, apparently doctrinaire debate between PSI and the PCI constitutes a serious threat to the policy of national unity? Worries along those lines have been expressed by various political exponents and are considered to be quite realistic. Politics has its origin and experience has taught us how the dynamics of positions which are assumed somehow turn out to be automatic. I do not intend here to put anybody's intentions on trial and I readily believe the leaders of the Socialist Party when they assert that they do not intend to create a crisis in that policy. But things can also happen by themselves, in spite of the best intentions; this is why it is necessary to correct and moderate, in time, those directions which entail the risk of leading to serious breakups.

The accord between the democratic forces and, first of all, between those on the left, is today more than ever necessary if we want to save the country from the crisis which continues to beset the economy and the institutions. In view of the gravity of present problems and the no less arduous problems of a socialist society to be built in the West, a discussion on the doctrine of the past entails the risk of distracting us and helping little in establishing the individuality of parties which is manifesting itself in the facts of political life even more than in abstract discussion.

Let no one forget the simple truth that a breakup on the left will only help the right and the moderates and in Italy today that would render impossible any policy of progress and perhaps any democratic policy.

Norberto Bobbio Controversial Viewpoint

Turin LA STAMPA in Italian 1 Sep 78 p 1

[Article by Norberto Bobbio: "Communism, Social Democracy, Socialism-- There Is No Third Way"]

[Text] If there has ever been an agreement in Italy among communists and socialists, it was only a negative one: an agreement to disagree. In other words, an accord--with varying motivations--on what one must reject or, better, on what one side and the other publicly declare it must reject. The two poles of socialism, such as it really is, or, more precisely, such as it is practiced and such as it is practicable--which, mark me well, does not mean that it is successful--those two poles are Leninism and social democracy. All of the other brands of socialism--and it does not matter whether they are only vaguely outlined or whether they have been planned down to the smallest detail--belong to the category of future possibilities, that is to say, they are possible (some of them are however downright impossible).

Well, the only point on which the communists and the socialists seem to have agreed--at least until the latest development in the polemic whose

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outcome we cannot as yet foresee--has involved the double rejection, the "act of taking one's distance from ..." Naturally, the communists always dissociated themselves from social democracy and the socialists were careful to preserve their distance from Leninism. But the communists do dissociate themselves from Leninism although they take great care not to fall into the arms of abhorred social democracy; the socialists in turn--as they keep their distance from social democracy-- are struggling hard to remove the suspicion that they might be falling into the arms of the just as much abhorred Leninism.

So far there has been continuous testimony as to this double negation on both sides. They have just about become an obligatory topic. The moment a communist pours or is forced to pour water on the revolutionary fire, he must urge his conversation partner not to confuse him with a social democrat. Berlinguer stated quite authoritatively in the well-known interview: "We want to achieve here, in Western Europe, a social, economic setup, a state setup but no longer a capitalist system, a system which would not copy some of the socialist experiences so far and which at the same time would not boil down to digging up again the experiences of the social democratic type."

No matter how great the variety of opinions may be among the socialists, the party's official text, the "Draft," after having explained, in a paragraph devoted to the countries of the West, why their socialism is not "our socialism" and after rejecting Leninism, states precisely that "our socialism" is not that of European social democracy either because "the aspiration of guaranteeing the state direct control over the process of accumulation and the main investment decision was generally alien to those experiences."

Anybody who would confine himself to recording similar ritual declarations, on the one hand, would, on the other hand, be tempted to conclude that, if the accord on the double rejection is sincere, then the communists and socialists could easily arrive at agreement also on the common road to be followed. Certainly, if the dissociation of the communists from Leninism--which is one of the two opposing poles--were as great as the dissociation of the socialists from social democracy, which is the other pole, then the two moving forces would already have met half-way, at the point at which the "third way" would open up to both of them. As for the rest, Berlinguer talked about a "third solution" in the above-mentioned interview, while so far several among the most creditable socialist leaders have also been talking about a "third way," about a "new way to socialism."

But in the light of the polemical tension existing between the two parties, a debate which has become increasingly bitter in recent days, everybody can realize that, in spite of the declarations of principle, the half-way meeting did not come about. There are two possibilities here: either this third way does exist but both sides do not see it in the same manner. Or this third way does not exist. In other words, the communists and the

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socialists continue not to meet, to be distant--although the former declare that they are no longer orthodox Leninist while the latter state that they have never been orthodox social democrats--and nowadays appear farther away from each other than ever before--because, each side for itself, has not covered the entire way necessary in order to switch from the old road to the new road or because that new road simply does not exist?

To justify the choice of the third way, both sides--and this likewise is a rather strange common feature among these two half-brothers--always adopted the same argument: the "peculiarity" of the Italian case. Recently there has also been talk of an "anomaly" but in a positive sense, as if being anomalous were a virtue. I am sorry about that because of our love of homeland but, with respect to countries to which we are linked by an international economic cooperation pact and tomorrow perhaps also by a political unification pact, the peculiarity of the Italian case (anomaly, yes, but negative) consists only in our backwardness: as a matter of fact, we must never forget that we are the homeland of the mafia, of black-market labor, of government corruption and big tax evaders, of the most shameless patronage and the most inept bureaucracy, and finally, the most widespread, the most ruthless, and the most sordid terrorism.

Now, blessed with that much peculiarity, how does one become the historical booster of a new socialism never seen before, how does one avoid retracing the steps of those who have gone before us; favored by so much anomaly, how can one try to give lessons instead of taking them, assuming the historical task of the teacher rather than the best pupil; to me this seems difficult, very difficult, to grasp. To me this does not so much look like a theoretical effort which would require a cultural tradition quite different from the one on which we can count, even though it is most respectable, and a quite different clarity on ideas, but rather an act of theoretically unjustified and practically, I fear, entirely fruitless intellectual presumption.

Personally, I am inclined to believe that this third way does not exist anywhere and that it would be a mistake due to an understandable but not irrepressible self-love, once the road of Leninism has been clocked and hence can no longer be repeated, as the communists themselves would have us believe, thus turning one's back rather disdainfully upon the road just travelled, even though it may be incomplete and full of obstacles, a road just travelled by the European social democracies, instead forcing oneself to figure out new solutions, rather than making the much more meritorious effort to follow those who have gone before us. Is the outcome of social democracy (which should naturally be socialism) not guaranteed? But it is always better to follow a road whose success is guaranteed, rather than the road which is guaranteed to be unsuccessful as demonstrated by history.

The best proof to the effect that this third way does not exist, in my opinion, is that the peremptory nature of the rejection of roads considered

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impracticable is not paralleled by just as clear an indication of the new way. And for the rest, brilliant declarations aside, what can one call the practice implemented so far by the two major parties on the Italian left if not social democratic, under the most benevolent of assumptions? I say "under the most benevolent of assumptions" because, to tell the truth, when it comes to the practice pursued by the most progressive social democratic parties, to what can we compare the left-of-center government, which we have already experienced, and the historical compromise, which has only been proposed so far, if not, to an expedient, in the case of the former, and to a retreat, in the case of the latter?

After so many castles in the air, perhaps it is necessary now to begin to realize that by the term "social democracy"--in contrast to communism but not in contrast to Leninism--we are referring to a method and not to a goal. It therefore makes no sense to juxtapose social democracy against communism which, on the contrary, indicates a goal and not a method. Its antithetical term is, if ever, Leninism because, when you talk of Leninism, you talk of a method of struggle, a strategy, rather than a new society model. But if this is so, then I frankly do not see how--after excluding Leninism which is inapplicable in advanced societies and which at any rate is so different from the Russian version or from the Chinese version so as to be simply beyond comparison--the Italian worker movement could fail to join in the grand river of social democracy, renouncing the fascinating but incomprehensible plan of making a place for itself, probably destined to gather a current with rather weak force and with a short run.

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Implications for Social Democracy

Turin LA STAMPA in Italian 3 Sep 78 p 1

[Article by Norberto Bobbio: "The Democratic Way"]

[Text] The communists and also most of our socialists are accusing the social democrats of not being able to overcome capitalism (and this accusation has been made repeatedly also recently, following Craxi's article in L'ESPRESSO). Capitalism as a matter of fact has not been eliminated either in those countries in which strong social democratic parties have been at work for some time. That does not change anything on the fact that the accusation is extremely superficial and it once again shows how much passion prevails over reason in political debate.

If the term "social democracy" still has a meaning and is not used, as often happens in the Italian left, as an epithet, it refers to the ideology according to which a goal--socialism--can and must be attained to a method, which is democracy. I do not see how it could be defined in any other way. Anybody who thinks he can define it in some other way should

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step forward. I really doubt sometimes that this definition is correct and I sometimes think that somebody holds the secret of a different definition (which however I cannot imagine).

The fact is that both of the major parties on the Italian left--which never miss an opportunity to make solemn declarations on their absolute faith in democracy, on the rejection of the road of revolution, on the inevitability of socialism and democracy, on respect for all those basic principles which enable us to distinguish a democratic society from an autocratic society--appear rather infastidious, the communists always, the socialists, until a short time, almost always, when they are considered to be social democratic parties. If you want to offend them, just tell them that they have become "social-democratized"; if you want to proclaim their decadence or their degeneration, then say that they have undergone an inexorable process of "social-democratization." But, without proof to the contrary, I stick to the current definition which has historical tradition on its side.

Once I admit that, by social democracy, one must understand socialism through democracy, it follows that a social democratic party (regardless of whether it calls itself such, it merely suffices that it render homage to the rule of democracy) must subject itself to the first condition required for the operation of a democratic system--which is majority rule. This implies that this party, in order to march toward socialism, must above all win an absolute majority of the seats in parliament.

It does not take a very profound knowledge of the history of countries in which socialist or communist parties have existed, even for a long time (parties which, no matter what they may call themselves, have included the goal of the socialist society in their program) to know that an absolute majority of the seats in parliament is something which very few left-wing parties in democratically-run countries have so far been able to obtain and none of them, including the Swedish social democratic party, managed to hold on to that majority for a certain period of time. This did not even happen in France so far which nevertheless is a country with a long socialist tradition and a strong worker movement. It has not happened in Spain and in Portugal both of which have just emerged from a long period of political and economic oppression. It has so far not happened and it does not seem destined to happen in Italy in the near future. Rather, in Italy, anybody who would even entertain a fleeting thought of a left-wing alternative is urged not to entertain any illusions, to have patience, and to concentrate, if ever, on a long-range program.

Somebody ought to explain to me how a certain democratic left--assuming that it is sincerely democratic and therefore believes that, to put a government program together, one must have a majority of seats in parliament--manages to be so easily nauseated by social democracy and to accuse it of not being able to eliminate capitalism when, in order to begin to defeat it, it should have a majority which it does not have and does not even seem to be close to having.

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Instead of criticizing a hypothetical method of social democratic government, which has not yet been put to the test and which, not yet having been put to the test, cannot be accused of having failed, the Italian left and a large portion of the European left should ask themselves why, in spite of the now centuries-old anticapitalist propaganda by the socialist parties, at first, and the communist parties later on, the latter has not yet managed steadily to convince the majority of the citizens, in almost all countries, that capitalism is a system to be torn down.

The thing is all the more surprising since the Catholic parties, in words, also professed to be anticapitalist. During a recent debate on the need for wiping out capitalism, a Catholic also spoke up and maintained that "the Christian Democratic world cannot be insensitive to the problem." If, in spite of so many liquidators, capitalism still exists, in spite of the fact that the communists, the socialists, and the Christians of the most varied faiths continue to vituperate it, that capitalism, in the democratic countries, precisely in those countries where it is freely vituperable, manages to hold the left-wing parties at bay and to domesticate the Catholic parties, then that means that capitalism is a system which does not easily allow itself to be liquidated through the democratic way.

What is the reason for the obstinate resistance of a system which many disdain and which all left-wing parties have been claiming is moribund, I do not know how many times? That is the problem. Somebody might suspect rather maliciously that capitalism resists because--at least in the democratic countries--most of the adult citizens, those who vote, prefer it to the opposite system. But I do not even remotely want to assume that they could be naive or cynical. I confine myself to making a simple observation: even where the left-wing parties can freely unfold their own propaganda and organize their own members, a majority for socialism either does not exist or is very small (it is never overwhelming, even when it does exist) and it has at any rate always been ephemeral. (To avoid easily predictable emotional reactions, I am not talking about the biggest capitalist country in the world where a socialist party does not even exist.)

But it seems to me that one may derive a warning from that observation. Would it not be healthier for a democratic left--that is to say, for a left which wants to achieve socialism through persuasion and not through imposition--to try to understand why the moribund does not die, why, instead, upon every apparent relapse, it flourishes again, and expands and generates imitators (generally bad ones), instead of reproaching the inept social democrats (the so well remembered "social traitors") of not yet having killed it?

Here is the moral of the story: Social democracy does what it can. It does what it can, within the limits of the democratic methods which it declares it wants to follow. It does what its political strength permits it to do, something which, in a democratic country, generally is measured by its elec

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election strength; this strength so far has not been great, it has not been lasting, and it has always been heavily opposed. Anybody who accuses it of not being capable of overcoming the capitalist system and of having confined itself, even where it was successful in forming homogeneous administrations, to correcting it (thus permitting it to survive), is not realizing that he is subtly revealing his own intolerance for the democratic methods and his own lack of confidence in the validity of a certain method for the attainment of a certain goal. But, then, why continue to shout all over the place that democracy and socialism are inevitable?

To conclude, anybody who continues to accuse social democracy of not being able to defeat capitalism should tell us very clearly whether he wants socialism also without democracy (and only in this way would he be consistent) or whether he would, at least for the moment, be satisfied with that little bit of socialism which, in an advanced capitalist system, is compatible with democracy. Tertium non datur [There is no third possibility]. It seems to me, that in Italy, communists and socialists, instead of constantly accusing each other of betraying socialism or democracy, should instead began to realize that the third way between Leninism (or the betrayal of democracy) and social democracy (or the betrayal of socialism) is only an idea of reason or, worse, a product of imagination and since both sides proclaim their unalterable faiths in democracy, let them, within energy, intelligence, and faith--and possibly, by common accord--pursue the only possible road which in fact is practiced in the democratic countries.

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Social Democratic Response

Turin LA STAMPA in Italian 6 Sep 78 pp 1, 2

[Article by Giuseppe Saragat: "We Social Democrats--Debate on Bobbio's Theses"]

[Text] The two articles by Norberto Bobbio, "Communism, Social Democracy, Socialism," the first of which has the subtitle "The Democratic Way" while the second one is entitled "There Is No Third Way," state the problem of socialism in a serious and courageous fashion. Almost half of the world--the USSR and the developing countries--subscribe to Marxism-Leninism or downright, such as China, to Marxism-Leninism-Stalinism.

This century's history proves that Leninism and Stalinism have little to do with Marxism. Marx hypothesized about a society without classes and without a state. The dictatorship of the proletariat was to resolve once and for all the enigma of history by creating a society of free men not subjected to any form of alienation (Entfremdung) and hence not subjected to any form of power, obviously including the number one power form, that is, political power.

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In the very act of creating a society of free men, the dictatorship of the proletariat would eliminate the coercive power of the state. Revolutionary violence--the midwife of history--would therefore undergo rapid deceleration by virtue of the simultaneous dissolution of all political power.

Capitalism and the state disappeared in the very act in which human society forever became an absolutely free society. This is not a matter of examining how much of Hegelian theology is contained in that generous utopia of Marx. The important thing is that Marx' utopia was translated by Lenin into political terms so as completely to turn it upside down. State capitalism has taken the place of private capitalism in the USSR; and the classes have been replaced by the regime of the bureaucratic caste (the bureaucratic state is defined by Marx in one of his first writings as the priest-state); in place of the reign of liberty, a permanent dictatorship, which not only oppresses its citizens but which extends its hegemony over the satellite states, has taken hold.

The most dangerous tensions which can erupt in a terrifying thermonuclear war do not exist between the USSR and the democratic countries of the West but rather within the area of the communist states themselves: the USSR against China, Vietnam against Cambodia, etc.

All over the world and especially in Asia and Africa and in Western Europe, the destabilizing action of the USSR is felt continuously.

It follows from this however that, while fascism and nazism are the most putrefied cadavers of history, Leninism is alive and extends its action more and more all over the world.

It may be a good idea to note here that, apart from the countries that are under the direct influence of the USSR, with armed violence, such as the satellite states, the other countries, which are exposed to the Leninist temptation are countries which have never experienced liberty.

And the first of these countries is the USSR itself. Here are the wise words of Benedetto Croce: "We must not forget that, through its revolution, Russia has not broken with a regime that enjoyed liberty, nor has it achieved a kind of liberty that is less than what it had before; instead, after a long incubation of ideas and spasmodic revolutionary attempts, it made the only revolution which it could make--and that was not the revolution of England in the 17th century, nor the revolution of France in the 18th century, nor the revolution of Italy in the 19th century--and those who were most familiar with its real conditions could already detect the emergence of forces which were involved. And only the future will tell us how its people will develop in the future, as is quite obvious, and it would be superfluous to say here in what way we would hope that it would develop because this is of no importance and, in any case, it is implicit in the way in which we conceive human life and its history and its ideals."

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Croce was a liberal but we social democrats are fully in accord with him on his cautious approach and on his judgement of an event in a country which never experienced liberty and on his hope for the future. And we are fully in accord with Norberto Bobbio who asserts that, in Western Europe, there is no socialism that is different from that of countries such as Sweden, Norway, Great Britain, and today West Germany.

The term "social democratic" in Italy today is worse than a disparaging epithet. A well-known feature writer at L'UNITA replied to a colleague, who asked him why he was so tough on the social democrats: "Because they exist." He could not have been any more specific.

We democratic socialists think that overcoming capitalism can and must be accomplished with democracy and not against democracy. We know what socialism without democracy is: it is the worst form of capitalism, it is state capitalism.

What, then, is democratic socialism? There is a law of tendency which, in the most advanced countries of the Western World, leads first of all to a positive response to the social problems involving the working class. The democratic socialist movement is the most authoritative interpreter of that tendency; that movement, in those countries, has managed to solve the problem of homes for everybody, of hospitals which are not just aid stations, of schools which guarantee the right to study, at higher levels, for the most deserving.

The more a society evolves, the more grows that stratum of specialized workers who in that society make up the majority of the population. The problem of capital, as the enemy to be beaten, evolves within the problem of a constant struggle for the best and most equitable distribution of incomes among all citizens.

The spirit that springs from adhesion to the values of liberty, democracy, and social justice favors the development of the labor union movements which increasingly places the worker in a position where he can effectively negotiate on his contract with the employer. The characteristic features of capitalism change, leaving room for the entrepreneurial spirit which must not always be identified with that of the capitalist. In that progressive march toward a relationship that would be continuously more favorable for the workers in their dealings with capital, we must identify the objective aimed at a society at whose limits the identity between the market economy and capital could be attenuated and, in the end, would disappear.

That, in any case, is the road followed by the big democratic socialist parties of the West.

An abstract socialist society scheme cannot help but be utopian. The important thing is to defend those values of social justice and political liberty which in our opinion are indispensable. In any case, for us democratic

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socialists, there is no other way, no way other than the way of democracy and of ever greater social justice. It is therefore at least a chancy thing to outline the society we want in absolute terms and without reservations. Others can do so; we cannot. By the way, not even Marx did that; those who asked him for specific statements on that point, he told in reply: "I have no recipes for the kitchen of the future."

We have a constitution which sprang from the resistance and which says the following in its first article: "Italy is a democratic republic based on labor. Sovereignty belongs to the people who exercise it in the forms and within the limits spelled out in the constitution." Article 3, Paragraph 2, says: "It is the task of the republic to remove obstacles of an economic and social nature which, in fact limiting liberty and equality among citizens, prevent the full development of the human individual and the effective participation of all workers in the country's political, economic, and social organization." Finally, in its first paragraph, Article 4 says: "The republic grants all citizens the right to work and promotes the conditions which will make this right effective." This last article however has remained a dead letter. We have hundreds of thousands of unemployed, especially among the younger generation. The fault lies with all parties that have been in power and those of the opposition which for so many years practiced the policy of the lesser evil. Today, the discussion is wide open and it is to be hoped that the errors of the past will be corrected.

In his book "Storia dell'Italia partigiana" the author--who is not a socialist historian but a historical socialist, Giorgio Bocca--concludes with his teacher's words: "If we really want to find a synthetic and comprehensive characterization of the historical significance of the Resistance and of the relationship between the Resistance and the present time, then let us not talk of a Resistance that was exhausted or even betrayed or that failed but let us instead talk in terms of a Resistance that is incomplete. Here we understand incompleteness itself as an ideal which is never completely realized but which, nevertheless, continues to nourish hopes and to arouse anxieties and energies for renewal." The teacher quoted by historian Giorgio Bocca is Norberto Bobbio.

Not only we democratic socialists but all responsible politicians in Italy--discovering that the ideals of the constitution and those of social justice are never completely realized--must be grateful to Norberto Bobbio for having sustained our hope with his two articles and for having aroused the renewal energy necessary for the realization of an Italian society that will be ever more just and more civil.

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Ugo La Malfa Interview

Rome LA REPUBBLICA in Italian 5 Sep 78 pp 1, 2

[Interview with Ugo La Malfa by Fausto De Luca: "La Malfa Considers Break Between Italian Communist Party and Italian Socialist Party A Disaster"]

[Text] "If, on the other hand, the process of recasting the two parties is a serious one, then they can arrive at a common program and at the alternative of the left." The things which Lama says are more important than the denial of Leninism. There is no "third way." It is necessary for the left to experience the Italian problem with the approach of the West and of modern history. Rome. At this point in the discussion between the socialists and the communists, we needed an arbiter. Somebody who, if possible, would create a little bit of clarity, saying whether Berlinguer and Craxi are correct, two men who, although from different positions, keep hoping for a "third way" between the socialist of the East and social democracy or whether Norberto Bobbio is right; he says very drily that there is no "third way." We turned to Ugo La Malfa who always believed in a way to save Italy so as to enable the country to achieve the conditions of the advanced industrial societies.

[Question] Now, Mr. La Malfa, would you like to tell us what the third way is?

[Answer] I read here that the Catholic University of Milan has decided on a 6-day study conference on advanced industrial society. The socialists and the communists will talk there. But this big talk happens at a time when modern industrial society is seriously compromised.

[Question] In other words, this will only be an academic affair?

[Answer] There is much of the academic world in the discussion and the important thing here is to restore things realistically.

Modern industrial society has been compromised ideologically because the left has pictured it to the masses as the naked and crude version of capitalism. And it has been compromised politically because, when it comes to reforming a society with spontaneous development, this has not been done and now the important thing is to reform a broken-up society.

[Question] Craxi admitted that your criticism--regarding the insufficient understanding of the left for the problems of industrial society--is well founded.

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[Answer] That admission seems to me to be a positive thing provided we do not now get lost in ideological clouds, disregarding real problems.

[Question] Tell us what the "third way" is or what your way would be to turn Italy into a modern, socially less unequal society which would preserve political democracy.

[Answer] When I read in the writings of two socialist authors, such as Giorgio Ruffolo and Luciano Pellicani, that their recipe is self-management with [economic] planning, then I feel very worried. Self-management has been the pet project of Francois Mitterrand. I carefully read the document put out by the French socialists and I found it entirely devoid of real content, I found it to be entirely illusory. Not with regard to planning, naturally, but with regard to self-management which signifies the exporting of the means of production. Just think what shape we would be putting the railroads, the steel industry, the chemical industry, etc., in. We would have the defects of capitalism and of collectivism, together.

[Question] What can you say about Yugoslavia where they have self-management?

[Answer] They developed that formula to have a model different from the Soviet model but it is still in a totalitarian society.

[Question] It seems clear to me that, as far as you are concerned, there is no way different from capitalism.

[Answer] This is where we must understand each other. When you separate the world among the countries of real socialism and the capitalist countries, you are really forcing the issue and you forget what the left has done in Sweden, in Great Britain, and in the United States. Do they not have a left in those countries? Did the left only support capitalism? Let us be serious. The left in those countries has corrected the system. Is Sweden a capitalist country? Is Great Britain? And America?

[Question] To me, frankly, it seems that the answer is yes. To you, Mr. La Malfa, does it not seem a little bit chancy to deny that American is a capitalist country?

[Answer] Naturally, I do not deny that; I am not saying that they do not have capitalism there. But I do say that they have had Roosevelt; I say that the most specific thing for the purpose of correcting the capitalist system came to us from the American model.

[Question] And European socialism did not produce anything good?

[Answer] In my view, Latin socialism did not learn anything. Mitterrand's solution is a false solution. If Mitterrand had won, he would have reduced France to the status of Italy. Instead, Sweden, Great Britain, and recently Germany have had a left which was up to the tasks of history.

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[Question] In what sense?

[Answer] In the sense that it has achieved full employment and that it has spread culture and prosperity among the vast masses without breaking society up. More than in terms of social democracy I would speak here of a left which has managed to transform capitalism in a reformed society.

[Question] So, there is no "third way?"

[Answer] No, there is not. The world is divided into two parts: the countries of "socialism such as it really is" and the countries where capitalism, in its social forms, is corrected by the left. The countries of "real socialism" are the depressed countries (and Marx was terribly wrong on that); the countries of developed and reformed society are the countries of the West. Then there is a category of countries quite by themselves--those which have neither real socialism, nor a reformed society, and they are the Latin countries which, due to underdevelopment, are running the risk of getting "real socialism."

[Question] What use can there be in the discussion currently underway among the left?

[Answer] It would be useful if we were to become convinced that we must live our problems as Westerners. That makes me think of the Chinese, of the experience I had there. I think that Craxi, who is so anti-Leninist, would also be happy to meet the Chinese.

[Question] Why? The Chinese are not Leninist?

[Answer] When you talk to a Chinese, he will tell you that he is inspired by Mao and also by Lenin. But that is not the point. Why are we so affected by the influence which Lenin and Stalin had on Russia and not the influence which they had on China? We are struck in the USSR by what the Chinese call social imperialism or hegemonism; we are struck by the military establishment, by the power game. There is no such thing among the Chinese. They are going their way in order to get out of their underdevelopment but they do not confront us with immediate power problems, such as the USSR does. This is why basically we all have a little bit of sympathy for China.

[Question] Let us get back to Italy. Did you understand what Zaccagnini wanted to say when he talked of the "revolutionary gradual nature" of the DC [Christian Democratic Party]?

[Answer] I did not understand that. Nor did I understand why Andreotti, in his article, talks about "bosses" with an evident concession to demagogy. The polemic in Italy so far has started from the ideology of underdevelopment. We have failed to understand that one can pluck the feathers of capitalism but one cannot destroy it.

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[Question] Here, Mr. La Malfa, only the Republican party gets away clear. If things are thus, why has the PRI [Italian Republican Party] remained numerically so small?

[Answer] We have been squeezed in between three ideologies of underdevelopment. It has been said that lay culture is dead. But I would like to ask Amendola if, instead, lay culture have not won, now that everybody is coming around to our positions, saying that one cannot nationalize everything, that it is necessary to save the market, that wages are not an independent variable.

[Question] The PCI has made some ideological revisions and has engaged in a big practical revision. Is Craxi correct when he asks that all of this be pushed to the final consequences, to a new ideological charter?

[Answer] Communists and socialists can move closer together on the specific ground rather than on ideology.

[Question] Do you share the accusation of "adventurism" which has been made against Craxi?

[Answer] No, but I can detect the danger that the discussion might remain only ideological. He might then arrive at conclusions which would be embarrassing also for the socialists. When Lama says that wages are not an independent variable, this is more important than the denial of Leninism; it is moreover the denial of Leninism. We can ask the communists to be loyal toward democracy but on that, I believe, we have no doubts.

[Question] Do you think that Berlinguer is in trouble in his party?

[Answer] I am not in a position to express judgements on internal matters within the PCI. From the outside, however, I might ask myself what the consequences might be for Italy if a Stalinist were to take Berlinguer's place.

[Question] Is there some foundation to that assumption?

[Answer] I would not say so. I consider the variables in Italy's future, and on the international level we keep wondering about Yugoslavia after Tito.

[Question] Can the PSI and the PCI move closer together?

[Answer] If the recasting process is real, not instrumental and not competitive, what is the final outcome? Not a breakup, which would be a disaster for Italy, but the common program.

[Question] Hence, the alternative of the left?

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[Answer] Yes, the alternative of a modern, Western left and a way out of the emergency.

[Question] But a phase of competition between the PSI and the PCI is already underway and perhaps was inevitable.

[Answer] The problem is whether it will last too long. The consequences could be catastrophic for the solution of Italian problems.

[Question] What is the proving ground before the congresses of the big parties next year?

[Answer] We have it before us. It is the administration's 3-year plan. A serious point of departure. I hope that the left will understand the situation such as it really is. We already said that, if the plan is rejected, or of it is implemented piecemeal, we are ready to pull out of the majority.

Eugenio Scalfari Editorial

Rome LA REPUBBLICA in Italian 10-11 Sep 78

[Editorial by Eugenio Scalfari: "Your Excellency Is Cross With Me"]

[Text] There is no third way between social democracy and Leninism, Norberto Bobbio wrote in LA STAMPA. There is no third way between communism and reformed capitalism, La Malfa echoed him in LA REPUBBLICA, using a more appropriate terminology. Ideology is an encumbrance and a pretext, adds Colletti in L'ESPRESSO, and the problem is that of reform. I was therefore not wrong when I wrote--commenting on a recent "text" by Craxi--that we are witnessing a vigorous liberal-socialist revival, even though that assertion earned me more than one rebuff.

Ideology is a super structure; it serves to schematicize reality and above all to give the people simplified objectives. It serves to enable us to move from knowledge to action. But in the long run it becomes talmudistic, it favors the bureaucratization of ideas. In the end you have to give it a push and bring it down.

We are thus emerging from ideologism on the left. And the PCI is likewise moving cautiously in the same direction. It is slower than the others because, more than in the case of the others, its history is intertwined with ideology and, more than in the case of the others, it has a mass following which it must take into account--but the direction of march is the same. The beard of the prophet--or the prophets--is being cut by everybody, with scissors or razors. And what comes after that?

The real problem--I take the liberty of repeating--is to figure out whether the left-wing alternative is inside or outside the capitalist system. La Malfa cites Roosevelt as an example of great reformism. This is a good

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example even though time has somewhat redimensioned its effect. We might add here the name of Stafford Cripps who perhaps changed the structure of English capitalism much more than Roosevelt managed to do with American capitalism and with the "American way of life."

We cannot say the same thing about the social democracies of continental Europe. Those in the Scandinavian countries worked in environments that are too different from Italy's to constitute a useful model. In Germany, Belgium, and Holland, social democratic administrations--in office for a long time in some cases--did not produce any appreciable reform or redistribution of real power, wealth, and the quality of life. Is Bobbio happy with that? Does Stammheim seem to him to be a better institution than Portolongone? Do the laws on hiring "radicals" for civil service jobs seem to him to be an example of socialism such as it is possible? Does the power of the German Central Bank seem to him to be a model of enlightened capitalism? He should be more cautious and more careful in looking at the facts and at history before exemplifying it with so much self-assurance.

But let us get back to the Roosevelt case which in many ways is very illustrative.

He came to his White House at the height of the worst storm that had ever hit American and international capitalism. He tried to bring it under control (and, we might say in passing, he succeeded very little). How? By limiting and, in certain respects, "repressing" the guaranteeism which had matured with Jeffersonian democracy. During those years, the bulwark of resistance to American guaranteeist liberalism was Supreme Court which, one by one, threw all of Roosevelt's big reform laws out. The New Deal was dismantled piece by piece as a result of these rulings. Only the SEC and the TVA survived. How can one say that American capitalism was reformed by a CONSOB [National Commission for Companies and the Stock Exchange] or by a Fund for the South?

I am not saying that these are little things (but here, in Italy, they were of little or no use to us). But I do say that even occasions have circumscribed and specific and certainly not infected by ideologism are unproposable here in Italy--if handled with seriousness and rigor--without the support and the convinced consensus of the vast popular masses. There are three reasons for that: (1) because Italy is not the center but the periphery of the empire; (2) because the popular classes have for a century been kept away from the institutions and therefore have the habit of rebellion rather than reform; (3) because Italy has never had a strong and forward-looking bourgeoisie, capable of governing by paying--as a class--the price for governing.

But how can we obtain the consensus of the popular classes in order to reform capitalism? Are we witnessing the miracle of the applauding crowds

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in the squares of Italy in response to the announcement that the government will quickly pass a law protecting free competition? Or the announcement that CONSOB will have the power to cut the company connections between the banks of Pasenti and Italcementi [Italian Cement Company]? Or between Bastogi and Montedison?

Friends: We are on the wrong track. Personally I never venerated any prophet and this is why I look with a certain degree of worry at the zeal of those who, having declined the verb in their youth, today try to pass themselves off as the teachers of intellectual libertinism. But I would not like these operations of high ideological "Barbary" to imply any excessively concrete objectives. The "new philosophers" are pleasing the bankers along the Atlantic Coast a little bit too much. Somebody has said that United States ambassador Richard Gardner had a piece of writing by Proudhon translated for himself and that this has become his bed-time reading.

To turn Italy into a modern, lay, "reformed" country we must make an effort covering several generations and requiring many sacrifices. All of us must make that effort. But we must say: for the sake of what. To get where. And it will be difficult to get there with guaranteeism (as the Roosevelt case teaches us) because, to reform, you have to infringe upon some "guarantee."

Dear Bobbio, I agree with you: there is no third way. But the road that you outline certainly is not enough; it moves neither the imagination, nor moral sentiments; it does not transform rationality into action. This is why very few will move on that road, with the great joy of those who consider even you to be a dangerous subversive.

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ITALY

LEFTIST SCHOLARS SEARCH FOR 'THIRD WAY' TO ECONOMIC RECOVERY

Themes of 'Third Way'

Milan L'EUROPEO in Italian 29 Sep 78 pp 18-21

[Text] The debate as to the existence, or nonexistence, of a "third way" has engaged the best brains of the Italian Left and is to an ever greater extent arousing the passions of even the best-educated sector of public opinion. Debating the topic of the "third way" amounts basically to asking whether there is a viable third model in addition to the two already existing in Europe--the model of reformed capitalism (Nordic social democracy) and the model of "realized" socialism (the communism of the countries of Eastern Europe).

In the present issue L'EUROPEO is opening a debate on this topic, which is of such vast significance. The participants in the debate will be Luciano Pellicani, socialist political theorist and political commentator for our newspaper, who summarizes the six main themes that have been developed to date with respect to the "third way," Norberto Bobbio, the most authoritative socialist philosopher in Italy; Lucio Colletti, in the forefront of Marxist studies in Italy; Umberto Cerroni, communist and professor of political science at the University of Rome; and Claudio Petruccioli, co-editor of L'UNITA. In our next issue we shall publish other contributions, including articles by Giorgio Ruffolo and Luciano Cafagna.

Nordic social democracy? Soviet communism, or a pluralist economy and self-management? Questions are being asked, and there is controversy within the Italian Left regarding Craxi's shift in position and Pellicani's "socialist market."

[By Luciano Pellicani]

1. Within the Italian Left there is increasing awareness that the so-called "realized socialism" can no longer be regarded as a positive reference point for the labor movement. If anything, the exact opposite is true: the Soviet model serves as a guide as to what should systematically be avoided

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if one wishes to preserve and develop pluralistic democracy. This view is supported by the highly significant statement made recently by Berlinguer to the effect that the Italian communists favor a "third solution"--one different both from the social democratic solution and from the Soviet solution--despite the fact that he simultaneously reaffirmed the Leninist character of the PCI [Italian Communist Party].

2. Inasmuch as even Craxi has spoken of a "third way," it can perhaps be said, at the present moment, that the two principal components of the Italian labor movement--notwithstanding the lively polemic in which they are engaged--are moving in the same direction although at different speeds and along different roads. Some intellectuals of the socialist sector (notably Bobbio and Colletti), however, rule out the possibility that there can be a "third way."

3. From a methodological standpoint, the line of reasoning used by Bobbio and Colletti is not objectionable. Two methods of forming the collective will are possible: the democratic method and the authoritarian method. From a substantive standpoint, however, it seems premature to say it is impossible to have a model of social organization that is not in conformity either with capitalism or with communism. Nevertheless, this is the hypothesis on the basis of which the Swedish social democrats, the French socialists and the Italian socialists are operating.

4. A third solution is possible only on one condition: that a system of production substantially different from both the capitalist and collectivist counterparts be successfully constructed. At the present stage of our knowledge, that system of production would appear to be "self-management." Such a system involves a) retention of the market economy; b) transfer of the means of production from private hands (or from the state) to the workers collectively; and c) establishment, within the production enterprises, of the mechanism of representation, in order that the managers will be elected by the producers.

5. Retention of the market economy is justified on the basis of two arguments. The first argument is of a technical nature: elimination of the market would mean elimination of the instrument that is indispensable for the rational allocation of scarce resources. The second is of a political nature: although it is still insufficient, the existing plurality of economic centers is an essential condition for the physical operation of the system of competitive democracy.

6. In conclusion, a passage from capitalistic pluralism to socialist pluralism appears possible only through socialization of the market, inasmuch as history shows that wherever the market has been eliminated, democracy and freedom have been stifled by the resultant bureaucratic monopoly of resources. This does not exclude the possibility of instituting economic planning for the purpose of regulating the overall development of society, establishing certain basic guidelines, and intervening wherever economic and social imbalances are produced.

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Bobbio: "I agree, but...."

[By Norberto Bobbio]

With respect to Point Three I cannot help but be pleased that it includes an acknowledgment of the fact that the debate as to whether a third model of society--situated somewhere in between socialism as currently practiced and capitalism--does or does not exist should be regarded as separate from the debate as to whether or not there is a "third way" between the violent conquest of power (Leninism) and the democratic process (the course followed by the social democratic parties). We are dealing here with two different problems which should not be confused with each other, for this confusion gives rise to the mistaken belief that whoever denies the existence of a "third way" is in effect maintaining that the only possible alternative to socialism as currently practiced--to "realized" socialism--is capitalism. An example of this inference is the observation addressed to me by Scalfari when he wrote in the 10 September issue of LA REPUBBLICA that the distinction between communism and capitalism is more to the point than the distinction between Leninism and social democracy. Whereas the latter comparison assumes that the two distinctions are interchangeable, the truth is that they are subject to two dissimilar criteria and therefore cannot be compared the one with the other. The first of the two distinctions relates to the strategies that the labor movement can adopt in order to attain its own objectives, whereas the second relates to the objectives to be attained. There is no reason to assume that if only two strategies are possible there can likewise be only two possible objectives.

Having said this by way of clarification I must pose a second question, one which is no less important in connection with the present discussion: "What is the relationship between a given strategy and a given objective?" In other words, once it is made clear that strategy and objectives are two separate questions we must determine whether the choice of strategy will also influence the choice of objectives. Those who denounce social democracy for having succeeded only in improving capitalism rather than eliminating it appear to believe that once the democratic way has been chosen the maximum objective attainable by the labor movement is an improved version of capitalism. It seems to me that anyone who defends this thesis can reach only one logical conclusion: that the democratic method must be abandoned. Is such a cause-and-effect relationship inevitable? That is the question. I personally do not believe such a relationship is inevitable, even though in practice there has been, until now, a relationship between the capability of the political parties that have acted in accordance with the rules of democracy, on the one hand, and the preservation of the capitalist system on the other. Only in a strictly deterministic sense, however, is something inevitable simply by virtue of the fact that it exists. Precisely because I do not believe this relationship is inevitable I maintain that to deny the existence of a "third way" in no way implies a denial of the possibility of a dissimilar objective: that is to say, the possibility of a third model.

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It follows from this premise that the search for a "third model" is perfectly compatible with the affirmation that a "third way" does not exist. I am therefore in virtual agreement with those who are attempting to design this new model, and I maintain that the most appropriate direction to take in this attempt is that of so-called "self-management" socialism. On the other hand, I do not believe that it is possible to give a quick "yes" or "no" response to this proposal without first making a very thorough investigation of all the possible consequences, and without taking into account and refuting--not just with theoretical arguments but with concrete examples--all of the possible objections. To suggest one possible objection, we know only too well how difficult it is for the limited form of democracy now extant in our respective countries to function. Inasmuch as self-management is primarily the extension of the democratic method to all sectors of society, beginning with the economic sector, it is easy to foresee that the difficulties attendant on its implementation will inevitably increase. In other words, it will be necessary once again to reckon with the recurrent "democratic illusion," that is to say, with the belief that it suffices to give individuals a voice in order to form a collective will. On the contrary, however, this abstract entity known as the "collective will" is a purely theoretical concept. In real life there are as many individual opinions on a given question as there are individuals involved, and it is only through the process of counting the votes and determining the majority opinion that these individual opinions are able to produce a final decision. There is no point in concealing the fact that this conflict of individual preferences will not cease--and indeed is probably destined to increase--if the procedures for the democratic formation of a collective will are extended to the area of economic decisions. Generally speaking, in formulating plans for self-management socialism one no longer speaks in terms of political parties. Will the parties be involved or will they not? If they are to be involved, what will their function be? And if they are not, what new methods will be employed to assemble the individual preferences?

Beyond this I do not propose to go, however. I am extremely interested in the development of these concepts, because it is my firm belief that in the light of the outrageous conduct displayed on a daily basis by the "Leader-State" of "realized" socialism, socialism is faced with the imperative of "reform or perish." I believe, however, that this reform requires something quite different from the once-over-lightly treatment afforded by a questionnaire.

Cerroni: "The Only Way"

[By Umberto Cerroni]

Any strategy employed by mature socialism should definitely orient its criticism of capitalism not only "with a view to" emancipating the workers but also "on the basis of" their desires and the general interest of the nation. In the West, this strategy has always been deprived of one of its

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constituent elements. Specifically, the strategy of the social democratic parties has concentrated all its efforts on the objective of a general criticism of capitalism, and the strategy of the Leninist parties has further compressed this objective into the confines of a narrow sectarian doctrine. It is significant, however, that self-criticism has been unremitting within the social democratic Left, as have likewise been the attempts at reform within the major communist parties. It is a sign that any "third way" must in fact be constructed entirely by combining resolute criticism of capitalism with unceasing support of political democracy. To deny the usefulness of, and need for, this third way seems to me today to be quite difficult. To deny the possibility of this third way is therefore to lead the labor movement back to the old antithetical options that have caused the split in its ranks: either political democracy with capitalism (and the implied authoritarian threat) or socialism without political democracy (and the implied abandonment of the libertarian aims of socialism).

A Democracy Becomes "Subversive"

In reality, this antinomy--frozen into the old antithetical concepts labeled "liberal" and "Stalinist"--has been refuted by the trends of the contemporary era. Capitalism is aggravating the burden of its rule by demonstrating its intolerance of democracy (witness the statements made by the Trilateral Commission with respect to the "ungovernability" of democracy) and by displaying its resurgent authoritarian tendencies. For its part, "realized socialism" is demonstrating how difficult it is for that system to function in actual practice without setting in motion processes of radical democratization. With respect to Europe, it seems obvious that only profound changes of a socialistic nature are capable of putting political democracy on a firm footing by bringing the workers into association with it, and that only by discovering its organic link with political democracy will socialism be able to have its general criticism of capitalism accepted as practical and effective.

At the theoretical level there is absolutely nothing to prevent the processes of socialization of the economy from going forward in cadence with the process of democratic choice in industrialized countries where the workers constitute a majority, or to prevent the practice of democracy from manifesting fully its "socializing" and "subversive" content. I absolutely do not believe that the security of contemporary freedom is tied to the private ownership of the means of production, nor that the efficiency of a socialist society need be dependent on bureaucratization. Whoever believes the contrary is continuing either to think in terms of a "governed" democracy--a democracy with a permanent cleavage between those who govern and the governed--or to conceive of socialism as pure governmentalization. Once again the discussion is being cast in terms of "paleoliberalism" and "paleocommunism," despite the fact that the world has changed.

With respect to the economic model of the "third way" we do have several basic criteria which can be deduced in part from what has gone before. In

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the first place, socialization is not governmentalization ("statization") and is therefore--at one and the same time--democratization; the breakup of monopolies; and fulfillment by the workers of their responsibilities. In the second place, one must take into account--in planning an economy that is in process of socialization--the institutions of political democracy as well as the desires and interests of the citizenry and the pluralistic character of the centers of economic and labor union activity. In short, the changes in the combined plan-and-market system will likewise be subject to the three-way control of scientific criticism, political decision-making, and the efficiency that is required for economic development. Consequently, there is every reason to believe that the formal guarantees established by law--and likewise the guarantees of individual and collective political freedom --will in no respect be eliminated. Most important of all is the fact that the plan for establishment of the new society will remain an "open plan": that is to say, it will be neither the prescription of a political party (a "take it or leave it" situation) nor a doctrinaire program but rather an analytic, democratic and experimental structure.

We are at a crossroads. The direction in which capitalism is taking us could lead to a monstrous oppression of man by material things and by money, reducing him to a common level in a massified society that is cynical, violent and intellectually degraded--a society in which culture, art and science themselves may languish. In the context of European civilization the labor movement has the opportunity to initiate a new, historic and noble alternative by carrying out a revitalizing action that is free from dogmas and is committed to a solution of the real problems of human beings and of nations. This action would nourish not only a progressive change in social relationships but also a shared responsibility and collective spirit on the part of individual human beings who will be intellectually wealthy; in short, a communitarian civilization in which the material changes are supported and cadenced by the universal growth of free individual human beings.

Colletti: There Isn't Any

[By Lucio Colletti]

The "third way" not only does not exist in actual fact but does not, at the present time, exist even as a "theoretical model." This truth has been admitted very frankly by Francesco De Martino, despite the fact that he is an advocate of the "third way." "It must be acknowledged," he wrote in the 8 September issue of *REPUBBLICA*, "that all of us are lagging far behind in the cultural and political elaboration of this third way, and even more so in the elaboration of the democratic procedures of transition. No clear determination has been made as to what extent, or whether, private ownership of the means of production should be preserved; or how the need for centralized direction--indispensable to any kind of planning--can be reconciled with the antibureaucratic strictures of socialism; or how a socialist market could function." As you can see, everything is still up in the air despite

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the fact that ever since the Eighth Congress in 1956 the PCI has been producing volumes and volumes of "congressional" treatises in which it has attempted to give substance to the "third way"! If it is true, however, as Stalin said, that "a sheet of paper will tolerate anything," it is also true that as presently delineated, the projected third way is at one and the same time chaotic, vague, overburdened with detail and indefinite.

I also have serious doubts concerning the "socialist plan," at least insofar as it places its trust in the concept of self-management. The present-day industrial economy is based on gigantic enterprises (steel, electric power, mining and so forth). To entrust the administration of these enterprises to "self-management" seems to me to be technically impossible and socially disastrous, not to mention the fact that self-management seems to tend ultimately to aggravate one of the worst evils of advanced industrial societies: the tendency toward corporativism.

I believe that the incentive to seek a third way stems from one basic error: the error of once again attempting to set a goal that history has demonstrated to be utopian and illusory and that was outlined a century ago in the original Marxist program. The experiments--Russian and Chinese alike--of several decades prove that even when private ownership of the means of production is basically abolished the Marxist program is still not fulfilled. For the fact is that labor for wages has not been abolished; the social division of labor has not been abolished; the social classes have not been abolished; money has not been abolished; and the state has not been abolished.

Because those who seek a third way would also like to obtain all these things without having to resort to the extreme measures employed by the Russians and the Chinese, it is no wonder that the "third way" treatises and plans--despite the fact that they have kept so many sincere people busy for so long a time--have not yet emerged from the stage of mere "wishful thinking."

There is no possibility of "socializing" the means of production. The only socialization possible is "statization." "Statization," however (that is to say, rigid and integrated planning) entails the one-party system and political totalitarianism, not to mention the fact that planning of this type--except in the "takeoff" stages of industrialization in underdeveloped countries--is economically disadvantageous, subject as it is to bottlenecks and massive dysfunctions.

The European Left has for some time understood that the most practicable system is that of the so-called "mixed economy": that is to say, an economy consisting of two sectors--one public and one private--bound together by various forms of economic planning. This system (which is the course adopted by the more progressive of the Western social democracies) would appear however to be insufficient for the purposes of our country, where too many individuals desire at any cost to "escape" from the system, even if this quite simply means exceeding the bounds of common sense and reason.

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The objection raised by these individuals is always the same: if you do not "escape" you remain a prisoner of capitalism. Not only is the distant vision of these individuals defective: they cannot even distinguish what is close at hand. Dual-system economies are no longer pure capitalist economies. In the West, participation by the state in the economy has changed many things. It has, moreover, altered the existence of the great mass-based political parties and also that of the labor unions (suffice it to note the changed character of today's collective labor contracts).

A very great deal indeed remains to be done, especially in a country where disequilibrium prevails to the extent that it does in Italy. We must still struggle against the private interests, both large and small, who exact their tribute from society. The history of reforms, however, demonstrates that they not only have never been put into practice but have never actually been prepared and studied, reflecting the fact (and it is a fact) that preparing a program of reforms is not nearly as easy as galloping over the wide open spaces of ideology.

Petruccioli: An Abstract Concept

[By Claudio Petruccioli]

It is a strange and disturbing fact that the discussion now taking place in Leftist circles tends to be confined within the bounds of "ideology" (I use the term in the negative sense attributed to it by Marx) and therefore runs the risk of evaporating into an abstract controversy without having proceeded, and verified, a concrete analysis of the problem.

It is disturbing because unless this error is corrected the Left will appear to be less, not more, able to cope with and to overcome the processes set in motion by the crisis and to solve the monumental problems that derive from these processes.

What is the central question--the central theoretical and practical question--with which the Left and the labor movement are confronted? It is how to combine in a plan, and in governmental action, profound changes in the organization of the economy and in social relationships, on the one hand, with the protection and reinforcement of a democratic and parliamentary political system that will guarantee and broaden individual liberties and pluralism.

The conviction that this is now the central question is based not so much on inferences of a conceptual nature as on an examination of the current situation in our country, on a correct appraisal of the scope of the national crisis and the international crisis, and on the threats and attacks that have been directed against the government and democratic institutions.

It is certainly significant that the Italian Left has been aroused--by the hard realities of the current situation--to deal with the most important

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question (a question as yet unresolved) in the long and varied history of the struggles and conquests of the labor movement.

It is significant because it means that the tortuous course on which our country finds itself is one that requires an exceptional effort, and because it means that the Left is approaching this task with great strength and an intense fighting spirit.

If we understand all these aspects of the situation, moreover, the search for the "third way"--for a third solution--becomes more precise and more accurate. It is not a question of launching into moralistic disavowals of social democratic experience and Soviet experience (which have both been fully studied and critically evaluated) but rather of acknowledging that if the goal is to transform society pragmatically and guarantee the existence of a democratic political system, then it will avail nothing to repeat the various attempts to do so that history, both past and present, has recorded for us: attempts lacking either in the first aspect (the transformation of society) or in the second (the democratic character of the political system) or, indeed, in both aspects.

The real discussion concerning the "third way" is stated in these terms, not as Bobbio has stated it, namely by directing his attention exclusively to the political system, which is necessarily either democratic or not democratic, whereas our attention is directed not only to the political system (which should be democratic) but also to social relationships, which "should" be changed.

At this point in our history I believe the main effort should be directed toward making a determination as to the changes of an economic and social nature that must be made, inasmuch as there is already very substantial agreement that the political and institutional orientation to be adopted should be based on the republican constitution--the fruit of the antifascist revolution.

Retention of the market--that is to say, a market economy--is strongly recommended, as is likewise the system of "self-management" (the transfer of ownership of the means of production to the workers as a group). It is impossible for anyone to consider (and indeed no communist does) abolishing the market and replacing it with nationalization of all the means of production together with centralized planning with respect to the utilization of resources and with respect to the determination of economic emphases. (On the other hand, experiments in "self-management" could still be carried out and evaluated, but it is certainly impossible to regard the "self-management" option as the overall answer to the complex economic and social problems that must be solved.

Given the present-day level of development of the productive forces of society, given the substantial influence exercised on the economy by governmental intervention and governmental action, and given the level

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achieved in the evolution of the processes of financial concentration and international economic integration, it seems to me that the crucial point is to establish, and safeguard, a "democratic administration of the economy." This obviously does not mean elimination of the market but rather the realization that it will be impossible either to overcome the crisis or to attain the objectives of increased production and employment, increased justice and increased efficiency by relying on the "free" play of the spontaneous mechanisms of the market.

'Socialist Model' Controversy

Milan L'EUROPE in Italian 6 Oct 78 pp 16-20

[Text] The debate on the subject of the "third way" has proved to be no "flash in the pan" (as some had feared). Initiated this summer in the form of two interviews respectively by Enrico Berlinguer and Bettino Craxi, the debate has turned out to be somewhat more serious and substantial than a mere political and cultural polemic of the type that is characteristic of the summer season. This interpretation is substantiated by the seriousness, the continuity, and the authoritative nature of the contributions that have been made to the debate. The quest for a third way--a way other than the two already extant in Europe (social democratic capitalism and bureaucratic communism)--represent a challenge which the best minds of the Left have shown they are willing to accept, in the conviction that this is the terrain on which the fate of political pluralism, and the fate of the free market, will be decided.

Following the contributions by Bobbio, Cerroni, Colletti and Petruccioli, which it printed last week, L'EUROPE now welcomes the contributions submitted--on the same topic--by Giorgio Ruffolo, socialist economist and president of Southern Finance; Luciano Cafagna, writer on economic history and secretary to Antonio Giolitti in the EEC; and Nicola Cacace, president of the ISRI [Institute for the Study of International Relations] and member of the Central Committee of the PSI [Italian Socialist Party]. The debate will continue in the coming weeks with additional authoritative contributions.

Berlinguer remains faithful to Lenin. The dispute concerning the "socialist model" is becoming increasingly harsh in tone and is involving politicians, intellectuals, economists and labor unionists of every shade of opinion.

Cacace: Who Will Be Able to "Self-Manage" Fiat?

[By Nicola Cacace]

Just as many speak of Marx and Lenin without ever having read them (or so it is alleged), so do we sense that many speak of the market, of economic pluralism and of competition without having a clear understanding of the meaning of these terms.

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As Galbraith also emphasized recently in Rome, in those sectors of the economy which are of strategic importance to development there is today no genuine economic pluralism, there is no genuine competition, and there is no freely functioning mechanism for setting prices. Phenomena such as the "sliding scale" of automobile prices that has been in use from 1973 to the present, and the cartels of the steel companies (as well as those of other sectors) that have been organized precisely with the blessing of the EEC, are increasingly the rule in this market and will seem to be contradictory only in the eyes of those who are still attempting to explain them according to the textbooks of classic economics. Those who have followed, and analyzed, the profound changes taking place in international capitalism know that its crisis is caused in large measure by contradictions that have suddenly appeared within its structure as a result of the struggles waged by the labor movement, although there are other contributory causes.

The inability of capitalism to provide a measure of growth compatible with full employment, or an accumulation of capital compatible with the thrust of the labor union movement; its inability to reduce the gap between rich and poor, either at the national level or at the international level; its inability to bring under political control even the most fundamental decisions taken by the multinational corporations; and its inability to provide the citizenry, and youth in particular, with new values different from those that relate to money, violence, drugs and conspicuous consumption are obvious symptoms of the crisis of capitalism--a crisis that is to be interpreted as an inability to achieve certain objectives and not, of course, as a prelude to a collapse which could very well be deferred to a date far in the future or, in fact, never occur at all.

So we come to the crux of the problem: Is there a "third way" to achieve the goal of superseding capitalism? In my opinion Bobbio is correct in saying that there is no "third way" in between the democratic way and the violent, authoritarian way while adding that there can be, and probably is, a "third model" of society: a model different both from the social democratic model and from the soviet model. If this be true, what we must do is design--and test--this model without stopping to quibble over how many hairs Lenin had in his beard, while at the same time acknowledging the fact that together with Mao, Lenin remains the greatest revolutionary of our century, for although they deprived their people of the bourgeois freedoms they have at least reduced the incidence of hunger, illiteracy, infant mortality and unemployment to a far greater degree than have the political leaders of other nonindustrialized countries that have maintained the outward forms of these bourgeois freedoms.

It remains to be proven--especially since the events in Chile--that it is possible, in the developing countries, to construct a more just society while at the same time maintaining all the bourgeois freedoms. In the case of the industrialized countries, however, it is only too obvious that Leninism has only historical significance.

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Let us therefore base our discussion of the model of a socialist society for an industrialized country on the premises that have now been accepted by the entire Left, to wit: retention and extension of the bourgeois freedoms; the democratic way, rather than the authoritarian way; pluralism of political parties; labor union autonomy; acceptance of rules of behavior that are appropriate for a free international economy; and retention of a private sector of the economy. What then will remain to be discussed? Quite a bit, but by no means everything.

First and foremost there is the role of the great private corporations, both national and multinational. Even if self-management is able to do a great deal to improve democracy and efficiency in the smaller enterprises, it is hardly applicable to Fiat or to hospitals and banks. Moreover, self-management must cope with corporativism--the worst evil of advanced industrial societies. Against this background the hypothesis of self-management socialism (in which I personally believe) has still not been developed to any extent. Before undertaking this task (at least in Italy) it must be demonstrated--by restoring the decaying edifice of the public enterprises--that the equation "public enterprise equals inefficiency" is not true. The government parties have a heavy responsibility in this regard, but there are also theoretical and empirical shortcomings on the part of the Left, because it is not yet clear how industrial socialism can function without large public enterprises (whether they be more or less socialized) that are efficient and that exercise a leadership role with respect to the great private monopolies, especially in the strategic sectors of the economy.

So long as the Left approaches this question from a defensive position, as is the case today, every theoretical debate and every effort to construct a democratically planned socialist economy in an environment of freedom, well-being and pluralism will remain merely good intentions. Moreover, we may properly ask those who (such as Pellicani) assert that the market is the basis of pluralism, of competitive democracy and of individual freedom: "What market?" We may also remind them of the many cases (from the Dominican Republic to Chile) in which the market --dominated by the multinationals--failed to defend either pluralism, or democracy, or freedom.

Cafagna: We Are Not Even Europeans

[By Luciano Cafagna]

I shall make four observations with respect to Pellicani's six points. The first observation is that I believe there is no "third way" but that there is a "third model": specifically, the anarcho-libertarian model of a society. The second observation is that this model is unique in that it is different in character from either Western capitalism or communist statism, both of which originated--and are governed--in an oligarchic manner. The third observation is that to speak of a third model cannot in any way serve as justification for establishing impossible equidistances between democracies (however imperfect these democracies may be) and

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authoritarian totalitarianisms, or for lessening our vigilance in defense of the democratic values that have been acquired and in defense of the relatively delicate mechanisms of democracy. The fourth observation is that it would make no sense to attempt to present the concept of a third model as a solution to the current Italian crisis.

Seeking and identifying a "third model" in the context of an emergency situation such as this does, however, provide a very valuable indication of those methods that are "acceptable," and those that are "unacceptable," for use in attempts to surmount the crisis.

I shall begin with my first observation. To speak of a third way serves to focus attention on a problem with respect to methods of government and methods of political action. Those such as Bobbio and Colletti who deny--as regards the parties and governments of socialist inspiration, broadly speaking--that there can be a "way" of government and political action different from the reformist and democratic way of the Western social democracies and the authoritarian and totalitarian way of the Eastern communisms are quite correct, as Fellicani, moreover, perceives in making his third point.

The discussion of models, on the other hand, is an abstract discussion of the general physiognomies of various systems of economic, political and social organization--a discussion that is independent of the political forces in action today and independent of the instruments which these systems have at their disposal to achieve their objectives. In this case it is even possible to discuss the question without any reference to the existing material and social components of these systems.

I believe that the "third model"--as thus conceived--does exist in the tradition of the labor movement and further that it is the anarcho-libertarian model, which is founded on the principle of self-management and on renunciation of the hierarchical and authoritarian structures which, on the contrary, the communist formula serves to unify, strengthen and generalize.

There is no doubt that millions who have looked with favor upon the socialist concept since it was first publicized have "envisioned" the society of the future in these terms rather than in terms of a general "statization."

The Initiative Comes From Below

We should however beware of ascribing to this model the same political implications as those of the other two, for it is entirely different in character. The reformist action that is possible in the context of a capitalist society, and the revolutionary action that is designed to effect complete statization (and likewise the subsequent authoritarian action designed to establish the apparatus to administer the resultant "statized" economy) are accomplished through the intermediary of political oligarchies and are expressed largely in the form of directives handed down from above, regardless of whether or not the decision was taken in accordance with democratic procedures.

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The principle of self-management is of a different nature, however. Self-management is not something that can be dictated, for otherwise it is a fiction devoid of vitality and without any future. It must either be initiated spontaneously from below or be developed through the medium of conflict and direct negotiation.

It is obvious that the direct role played by the traditional political organizations in implementing a model of this type has been sharply redefined vis-a-vis the role they play in connection with the other two types, in that these organizations can assist and defend a spontaneous process but cannot take the place of that process. This fact obviously also has implications in the area of political history.

My third observation is that a model of this type cannot be adopted and followed if it is interpreted as being equidistant from the other two models. There is a tendency today in "Italian communist" circles to weigh--as if on two balanced pans of a scales--the defects of Soviet communism and those of Western social reformism.

To do so is to perpetrate a great deception. It is a deception because on the one side of the scales you have oppression, regimentation and mass extermination accompanied by social gains that are inferior--not superior--to those achieved by Western reformism, while on the other side you have, at the very worst, excessive self-satisfaction with limited successes that are less stable than generally believed.

The difference is enormous and must be treated accordingly. In the one case what you have is the continuation of a fraud of long standing; in the other, an insufficient fulfillment of promises--if you will--that has nonetheless taken place in the light of day. The presumption that the new model would be "equidistant" from both of the above is a deception, moreover, because any action by the traditional parties of the Left to aid, facilitate and protect a self-management movement would be taken in continuity with traditional reformist action (which should, in such case, be continued and suitably adapted) and would not constitute a break with the latter.

On the contrary, such action in support of a self-management movement would in fact involve a "readjustment of sights" with respect to some of the orientations of the traditional reformist action--orientations (such as the nationalization of individual enterprises) that have been adopted even by the communists as intermediate objectives in line with the ultimate objective of total "statization."

A self-management movement, moreover, appears possible (although with great difficulty) as a continuation of the traditional reformist action in market-economy countries.

Lastly, my fourth observation. For some time now the notion has been gaining ground within the Italian Left to the effect that the current national crisis reflects not a more backward, but rather a more advanced,

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stage vis-a-vis the rest of the industrialized world, and that in Italy it will therefore be possible to stage a preview of the formulas of the future.

No Third Model

Those who are thinking along these lines are, in an ideological sense, trifling with an illustrious precedent: that of Lenin, who in his day had described Tsarist Russia as "the weakest link in the chain of imperialism" and therefore a viable base from which to begin the world revolution. I can only say that to lose sight of the difference between Russia and Italy (in terms of size and international status) is a form of "italocentrism" which is rather parochial and partakes somewhat of megalomania. On the other hand, this is not the first time that we Italians have been revealed to possess a vocation for "preeminence."

It is a somewhat more serious matter, however, to forget that Lenin's world revolution ended there, in Russia--and ended the way it did--precisely because it was begun at the "weakest link." Nothing good ever comes from "weakest links."

The Italian crisis will not be solved by means of a third model. It will be solved only in concert with industrial Europe--with the forces and values that represent the majority opinion there. The "third model," however, is not an empty concept provided--and to the extent--that it develops into a reference point for a concrete, constructive advance by the reformist forces of industrial Europe.

A Europe, that is, whose structures we must still reclaim by organizing at long last, in accordance with this reformist model, our chaotic and inefficient mixture of corporate maximalism, public waste and antisocial welfarism--the "rough drafts" of the basic elements of that reformism (a strong labor union movement coupled with high wages; an efficient social security system; and a policy of full employment).

Ruffolo: Without a Consensus There Can Be No Plan

[By Giorgio Ruffolo]

Modern socialism must reconcile two imperatives: the thrust for democratization, as expressed in the desire of the people to play a direct role in making the decisions that involve them; and the necessity of coherent planning in connection with the development of society.

Conventional wisdom says that these two imperatives are contradictory, and that any attempt to reconcile them is the same as looking for an "ant the size of an elephant." An analysis of the way in which social systems (and in general all advanced systems) develop convinces us, however, that these two imperatives are strictly complementary. In fact, the development of a society involves an extensive differentiation of its social structure and

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also entails the "planning" of that development. This planning requires a consensus on the part of diverse social groups--a consensus which, moreover, can be obtained only through greater equality in the distribution of wealth and in the diffusion of power.

The proposals contained in the socialist plan must be interpreted in this sense, and in particular those that relate to: a) the diffusion of political power, by decentralization of the state structures; b) the democratization of economic power, by the introduction of forms of democratic control and of self-management; c) the development of cooperative and associative methods of administering the social services and cultural activities; and d) planning that is prepared democratically with participation by all the pluralistic jurisdictions of society, and that will make use of the market (of a market that is regulated and competitive, not one that is regulated and oligopolistic) as one of its basic instruments.

This is the course that the socialist plan has proposed. It is, to be sure, the antithesis of the Leninist model and also of the concrete form in which that model was implemented, namely the system of bureaucratic collectivism. It admittedly goes far beyond the social democratic experiments, even the most advanced and brilliant of which (as for example the Swedish experiment) came to a halt at the threshold of economic power. It is no accident that even the Swedish socialists have placed the problem of industrial democracy at the center of their new programs.

Why, then, is there so much skepticism with regard to the "third way"? To be sure, if the "third way" is a formula of convenience--a ready-made device to reconcile the two opposites, Palme and Brezhnev, in a kind of eclectic and pragmatic minestrone--it is a waste of time even to consider it. If, however, it is the vision of an egalitarian and democratic society wherein democracy does not stop with the attainment of a representative political system and guarantees for the various freedoms (things which are sacrosanct and must be preserved) but is also developed at the economic and social level, then frankly I do not see how anyone can reject it and yet continue to call himself a socialist (which of course is not necessary in order to survive). Colletti's invitation to accept the "laws of the factory" does not shock me, but I believe that to do so would entail "escaping from socialism." As for the second argument, which contends that such a society has "never been seen," it appears to me to be a message "of little substance." For if progress has ever had a particular orientation, I believe it has always been oriented toward things which at the moment were "not seen." When it was originally coined, even the old admonition to "get your feet on the ground" must have seemed to our ancestors--as they swung from one tree branch to another--to be a foolish utopia.

The "Korean" Danger

No one, of course, any longer believes that the plan of a socialist society is an intrinsic feature of the evolution of history. Many do believe, however, that bold solutions are possible for the tremendous problems facing

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the world today--solutions that are egalitarian and democratic--and that it is therefore worth while to continue the struggle, whereas a future world shaped in accordance with the neocapitalistic and multinational model of Singapore or South Korea (where the laws of the factory and of the market are fully respected) seems to be neither desirable nor even possible. Socialism is of course only "possible"; it is not an "easy" course to take. As a learned man once said, however: "The world is like a plate of oysters: the shells that are easy to open are empty."

Socialists Versus the South

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[Text] Following the polemic that has taken place within the Left on the subject of Leninism, Vittore Fiore proposes, in the ensuing interview, a debate on the subject of the relationship between the Socialist shift in position and the "Southern question."

The journalist and author Vittore Fiore, son of Tommaso Fiore, is one of the principal inheritors of the "Southernist" traditions and culture.

The process of critical revision within the Left has (to the extent that it has been comprehensive and in depth) for a considerable time now been a steady process conditioned by the inflexibility of the real interests involved and by the very presence of the political parties--the PSI and the PCI--which are in competition with each other. The Left, however, is still a prisoner of an objective situation that has a paralyzing influence, just as it was in the immediate postwar period: that is to say, the debate comes to a halt just short of dealing with the "Southern question." The influence of the special interests linked to the dualistic structure of the economy chokes off the debate every time it touches on proposals to change that structure.

I shall cite, at least briefly, two significant books (one by a socialist, one by a communist) that fall within the scope of my observations: "Quale socialismo" [Which Socialism?], by Norberto Bobbio, and "Quale democrazia" [Which Democracy?], by Giuseppe Vacca. The study of politics unquestionably had need of Bobbio's clear and lucid explanation of the problems of freedom and socialism--problems of which the Left (and all the democratic forces) seemingly became aware 60 years after the "March on Rome" and which Guido Calogero appropriated (in an article in the CORRIERE DELLA SERA) from the preceding liberal-socialist elaborations and from the polemic with Benedetto Croce concerning the possibility--or impossibility--of reconciling the terms "justice" and "freedom."

As I asked Bobbio in an "open letter" addressed to him in AVANTI!, should not these elaborations, in order to be incisive today, take into account

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In the above photomontage by Alberto Crivelli:
Lenin and Craxi exchange party instructions.

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the current structural and political level of the Southern problem, which from the days of "Unity" to the present time--with the burden of the past behind it--has been an underlying factor in the development, and in the crises, of our society?

I asked the same question of Vacca (who today is increasingly attentive to this way of stating the problem) during a debate in Rome that was dominated by other concerns of a theoretical and practical nature. I asked him: "Why--based on an analysis of the development of capitalism, the historical form of which has ultimately been identified with the division between North and South--do you not explicitly come to recognize that we must deal first and foremost with the 'Southern question,' which means that we must analyze the changes that have taken place in Italian and European society, whereas in your book, despite its antidogmatic tenor, you stop just short of the problem and do not deduce the consequences of that problem in the spheres of culture, politics and labor unionism? What is the nature of the obstacle that diverts the discussion at this point? Likewise, what is it that prevents the working class of the North, the ruling classes, and public opinion from 'perceiving' the South as an Italian question and accordingly taking concrete and coherent action, leaving aside cliches both old and new? Is the relationship between democracy and socialism--the new strategic plan that must necessarily be based on the movement of the masses--extraneous to the problems posed by 'Southernism'?"

Is it easier to discuss Leninism and Stalinism--or even the invasion of Czechoslovakia or the dissent in the Soviet Union--than the present status of the "Southern question," which is a continuing contradiction (the " Gordian knot" of the forces of the Left) in our country?

The unpopular task initially devolved upon the minorities. Today--precisely in the most acute period of crisis--the mass-based parties are beset by the very problems that were analyzed by the critical minorities and by intellectuals who had continually been compelled to deal with the objective political and organizational possibilities of their parties--men such as Salvemini, Rosselli, Gramsci and Nenni, the last-named of whom (at least on the basis of his famous book on "19th Centuryism") could have been included in your cast of mentors alongside Antonio Labriola and Rodolfo Mondolfo. All the revisions--including those of Gobetti, Dorso, the regionalist and republican autonomists, and the antiprotectionists--originated long ago, and their authors chose as a solid foundation the link between the historic formation of the economic structures and the development of the classes and social strata together with the accompanying political and institutional structures.

No Merciful Veil

Historiography has, even more recently, confirmed the thesis of the incapacity of reformists and maximalists alike to solve in a positive manner the crisis of the existing system--its ultimate crisis, which had its origin in World War I and which Giolitti was no longer in a position to solve.

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Why overlook the schism that occurred at Livorno? The socialists cannot draw a merciful veil over the past of the PSI and PCI, for socialism was defeated on the issue of the centrality of the "Southern question," or--as it was called at the time--the "peasant question," which should have been the terrain for the historic alternative of the alliance between workers of the North and peasants of the South that was proposed by Salvemini at the turn of the century. It is precisely by taking the discussion back to the Livorno schism of 1921 that we will be able definitively to free ourselves from the errors committed in the past. We can, moreover, ask ourselves this question: Do the historical political conditions--national and international--that played a conservative role and ultimately opened the door for the dictatorship between 1919 and 1922 still exist (albeit in a quite different context)?

Will we be able to resolve the current social and political crisis of the system (and of the new equilibriums) by means of a renewed "compromise" obtained among the various concerned interests through the intermediary of the major mass-based parties? Is it enough to avoid a split for the short term or merely mitigate the situation--to preserve the system--or should the structure of the state be changed? How can the old (and new) destabilizing logic of the anti-Southernist model of economic development be destroyed?

In his dialogue with Giuseppe Vacca which was published prominently in IL MANIFESTO, Riccardo Lombardi contended that the replacement for the old, now discredited, myth of the "dictatorship of the proletariat" could well be the myth of the unity of the Left, which would accordingly adopt a common program. The validity of such a plan, however, is impaired at the very outset. Genuine unity--such as the unity longed for at different periods in history by Basso, by Morandi, by Panzieri, by Bossio, by Montaldo, by the "New Left" as interpreted by Stefano Merli in the fifties, and finally by Giorgio Amendola (who caused a furor with his proposal for a single party of the working class)--must inevitably be based on new and different class-oriented alliances: that is to say, new and different with respect to those proposed first by Salvemini and later by Gramsci. This is true primarily because the nature of the classes has changed, but also because the persistent gap between North and South serves to intensify the difference between the interests of the workers and working class of the North, on the one hand, and the peasants and laborers of the South on the other, employed and unemployed alike.

The working class itself has undergone a change, and the influence of the peasantry has diminished as a result of emigration, industrialization and the exodus from the countryside into the cities, whereas the influence of the urban middle classes has increased. The power of the urban bureaucratic sector has increased enormously in the South. The class-oriented Left--even that segment which is not recognized within the historic parties--has propagated slogans that are illusory and in any event lag behind the new reality, which in the South used to be called the "urban

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question"--a designation authenticated so clamorously by the events in Reggio. The unity of the Left, therefore, can be achieved only through political and social unification of the North with the South. A Left that fails to make a class-oriented analysis--that is to say, an analysis of the new contradictions, of the social tensions in the urban and metropolitan areas--will be unable to formulate a new strategy of alliances without deepening the differences between North and South.

An alliance of the working classes of the North with the urban middle classes of the South (which are of unstable democratic orientation) poses problems that are difficult of solution--much more difficult than those which the Southernist socialists had to face when the forces allied with protectionism, corporativism (industrial and agrarian), and state socialism were weaker.

Since 20 June 1976 the problem has manifested itself in the following terms: The greater measure of public approval obtained by the PCI, whereby the social composition of the party was broadened, has had the effect of paralyzing concrete action designed to benefit the South--action which necessarily involves mediation of the contrasting specific interests involved (and, we might add, the contrasting wages earned) in connection with the austerity program, the fight against inflation, and efforts to curtail unproductive public expenditure. Contrary to some accounts, it is the overall political and economic situation, rather than a deceitful Machiavellian policy, that has motivated the PCI to reach an agreement with the other great party of the masses, the DC [Christian Democratic Party], which had already been compelled--while maximally exposed on the Right to moderate sectors and to united and battle-hardened economic and financial forces--to deal with problems relating to economic mediation and democratic stabilization.

Was the Compromise of 1944 a "Southernist" Compromise?

When a broader-based social bloc or alternative historic bloc (such as proposed recently by Riccardo Lombardi) or a reformist alliance (such as proposed by Fabrizio Cicchitto) is postulated it should be borne in mind that such a bloc or alliance would give rise to the same kind of problems that arose in the first postwar period--problems which the mass-based fascist regime attempted to resolve in the way we all know (or should perhaps study once again). When we speak of an "historic compromise"--whether we accept it or reject it--we must go back at least to its historical predecessor, the "Salerno compromise," and the monarchy that Togliatti wanted in 1944. Was that a "Southernist" shift in position? In short, how can the socialists help to prevent the Left from inheriting the oligarchic corporativisms and political transformism--the historic evil of the entire Italian political system and therefore not of the South alone?

Socialists and communists underwent an experience 30 years ago that should, however, have taught them something and deserves to be studied from an historical standpoint. In 1950 the PSI was faced with an important decision

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concerning the Southern Development Fund, a project that was linked to the efforts in behalf of free trade. The socialists voted in Parliament against the fund, and the communists did not make up their mind until the last moment (Di Vittorio was in favor of the fund). Ultimately, however, even the socialists, aided by their cultural and political maturity, revised their position--and that was when, together with the planners, Southernism "re-entered the house" of the socialists, which was already rich in tradition and where a few individuals had kept the lamp of criticism burning. The PCI subsequently made a realistic change in its position with respect to policies--and special intervention--in behalf of the South, as profound changes were meanwhile taking place in the domestic situation and the world situation.

Lama and the Shift in the Labor Union Position

These changes in position--which made a common strategy possible--proved to be insufficient, however, not only for the reasons I cited previously but also because the discussion concerning the South has in some aspects been restricted in scope, despite the fact that the structural nature of the crisis (the North-South imbalance and the Southern Italy-Europe dualism) necessitates coherent decisions that cannot be postponed. Luciano Lama has gone much farther, however, beginning with his interview in LA REPUBBLICA and concluding with his interview in the Saturday 26 August issue of L'UNITA, in which he repeats the commitment made by the trade unions at the EUR [Universal Exposition of Rome] to become a force for change: a force capable of utilizing--through the medium of its own basic decisions--its own resources to give work to the unemployed. Indeed, Lama had the intellectual and political honesty, in his first sensational interview, to recognize the error of regarding the cost of labor as an independent variable, whereas RINASCITA had hastened to polemicize against Saraceno's report at the Levante Fair concerning the inflation of costs (Lama's invocation of culture was sacrosanct, but the more attentive of the "Southernists" never stopped talking about it).

But why remind the socialists of these things? Simply because the PSI is finally on the right track with the "Socialist Plan," by virtue of its pro-South content, wherein full employment, development of the South, and reconversion of production are no longer separate (and separable) objectives as in the past (even in Craxi's book "Costruire il futuro" [Build the Future] the subject of the South was not neglected). The specificity--from the standpoint of political history--of the "Southern question" today compels yet another political decision of national and European significance.

In the "Socialist Plan" the future of the South is viewed in relationship to the extremely rapid evolution of science and technology--an evolution that has led to a new type of international specialization, to a new division of labor, and to new "regional" imbalances. In view of the danger posed by alienation of the South, what should the role of the PSI be? It is not merely a question of not repeating the error already committed in the post-World War I period with respect to the southern peasants and the South, nor

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is it merely a question today (although it is urgently necessary to do so) of opening up the system to forces that still play no role in economic development. The problem extends beyond the borders of Italy, and I believe the PSI's opening to Europe is based on these truths.

All that remains is to call the Socialist Party's attention once again to the tradition of socialist Southernism, which had as its leading theoretician and agitator Gaetano Salvemini and as its standard-bearers Tommaso Fiore, Carlo Levi, Emilio Lussu, Rocco Scotellaro and Manlio Rossi Doria.

Salvemini was able ideally to characterize the PSI as a "Southernist" party. It was with ample justification that following the events of 20 June Asor Rosa--taking the place of the great scholar from Molfetta [Salvemini]--wrote that the PCI should make itself the spiritual heir of Lenin and Turati. The socialists can reopen within the Left the discussion concerning Salvemini, not so much because he gave birth to a current of thought that has been "unjustly neglected"; nor even in an effort to convince Amendola, Luporini and Garin that the man from Molfetta was neither an illuminist, a moralist, an individualist nor a lay prophet wearing the "mask of a rationalist" (--Garin); nor even (although it is an important problem) in an effort to explain to us the reasons for Gramsci's (and subsequently Giorgio Amendola's) lack of generosity toward the man who had placed in their hands a new and formidable lever for overturning the system through the action of the only two potentially revolutionary forces--the workers and the peasants--but first and foremost because the comprehensive perception of history on which contemporary political culture should be based--the perception of the "centrality of the South"--derives dynamically from Salvemini's teaching.

Salvemini was the first authentic discoverer of this "centrality," and this fact explains the various stages of his action within and outside the Socialist Party; whether he was combating protectionism and parasitism (in this he was not alone) or fighting for genuine reforms that would restore the national equilibrium (oh, these pseudoreforms of ours, the pride of the Left, which are basically anti-Southernist!), or whether he was fighting for universal suffrage, a secular school system or republican autonomy, his aim was always to eliminate problems that had a degenerative influence upon the working class and that prevented it from playing a unifying, national revolutionary, role. It is therefore not entirely true that he kept himself aloof from the society of the masses. The "Southern question"--the central problem with respect to the equilibriums that had gradually been established on the basis of the dualistic institutional, economic and class structure--could be resolved only by a class-oriented alternative that would likewise be a state-oriented and power-oriented alternative.

I should like to take this opportunity, however, to emphasize strongly the value of Salvemini's concept of the party. Salvemini explored firsthand, in his party's thought and in its action, the negative and scarcely creative impact of its administrative structure, its incapacity for overall leadership, and its organizational and cultural backwardness.

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A Party Without Patronage

Revitalization of the Socialist Party is likewise the object of a very heated debate both within and outside the party. Are we really convinced that the current fervor should be directed toward specific objectives, and that this revitalization should without fail begin in the South? Are we convinced that the "way" of socialism must necessarily be Southernist (without postponing, to some time in the near future, the discussion concerning the social forces that will be able during the transition between old and new forms of rule to determine the innovative thrusts that will be necessary in order legitimately to expand our influence)? And are we convinced that the dramatic and dangerous character of the Southern situation will entail an exceptional political effort and an uncompromising party that is purged of latter-day patronage abuses--a party that will carry the banner of a revitalized scientific culture, a party that will have trained cadres in the North and in the South, a party that will have an organization consonant with the dimensions of the territorial problems and the problems relating to the autonomies and to the democratic exercise of local power, regional power and the power of the state--an organization consonant with the dimensions of eurosocialism, which will be meaningless unless it has the support of the Southernists? Is it possible that the PSI, with its rich and creative cultural heritage, will renounce the struggle for South-oriented planning to serve as the basis for management of the economy?

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New 'Idea' of Socialism

Milan L'EUROPEO in Italian 10 Nov 78 pp 26-33

[Composite article: "A Third, Fourth and Even Fifth Way"; passages in slant-lines are emphasized in the text]

[Text] /In short, what kind of society is best for the future? The left debates the matter in the light of Craxi's "socialist model," but the more questions are asked, the more divergent the answers become. Here are the latest.

/Whoever has followed attentively the many and authoritative contributions on the theme of the "third way" published in L'EUROPEO will have noted that three positions are finally emerging. The first categorically excludes the existence of a "third way" besides the two already present in Europe (the managed capitalism of democratic socialism and the bureaucratic kind of communism of the Eastern countries): in this group, Noberto Bobbio and Lucio Colletti have become the foremost and clearest theoreticians. The second position is held by those who are convinced it is possible to chart a third way and who seek to do so mainly by proposing a more thorough debate on self-management; they are generally socialist intellectuals whose task it is to use their talent for analysis and political management especially in the area of self-management themes expounded by Luciano Pellicani. The third position, finally, is generally that of the communist intellectuals, whose position is summarized by a communist, Giuseppe Vacca: it is necessary to set forth a new "idea" of socialism. This is the very point addressed by the socialist economist Francesco Forte, the political scientist Piero Melograni and the Christian Democratic economist Siro Lombardini./

Francesco Forte: the Risk of Another Neocapitalism

The debate over the "third way" is certainly nebulous. Even Berlinguer, who finds fault with it, describes it as not the "third" but the "fourth" way. Indeed, he stated in a speech given recently before a large crowd in Geneva that the way of socialism to which his party aspires "is not that being followed in Russia and the Eastern countries, but neither is it the one being followed by the democratic socialist parties of Europe."

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Thus it seems at first glance that besides the Berlinguerian way there are at least the ways of capitalism, democratic socialism and Soviet collectivism.

Of course, Berlinguer knows how to count, though not up to four. I presume that the insistence upon calling "the third way" the solution advocated by Italian communists is due to a precise method of expropriation and reappropriation. Actually, what is called "the third way" in this case is the intermediary solution that runs between state collectivism on one hand and the capitalist mercantile system on the other, as it does between the so-called people's democracy of the USSR (which is really the party in power acting for the people) and the parliamentary democracy of the West, in which freedoms were formally guaranteed but not the economic conditions that would make these freedoms accessible to all. The "third way," then, is nothing other than the doctrine of socialists of various tendencies: democratic socialists, self-management socialists, libertarian socialists and just plain socialists.

Now Berlinguer is taking over, a bit late, the term "third way" for his communists. This is nothing new. The Soviet Union calls itself a socialist rather than a communist country because the word sounds a lot better and because they can keep opponents from using it. Thus, for the Soviets, democratic socialists are not a variety of socialists but false socialists, even socialist fascists.

The experience of northern social democracies (in the Scandinavian countries, Holland, Great Britain, Germany and Austria) is thus depreciated as being a variety of capitalism and is essentially identified with it.

Berlinguer declared in his Geneva speech that he does not equate the experience of the social democracies and that of the Soviet Union's October revolution: the latter is the standard. Obviously, he does not count for much labor's struggles or union rights, nor the cooperative movement thought out and built by northern labor and democratic socialist movements. Nor do social security and free public education amount to much except for the highest classes and the training and retraining of labor; nor does progressive taxation, nor unemployment benefits tied to a minimum wage in these countries, nor anything "democratic socialists" have achieved through reforms where they have been long in power.

For Berlinguer, there is not even any basic importance in the laws on public ownership of land and the nationalization and municipalization of enterprises in key sectors of public services and for the control of economic power, as the northern "democratic socialists" have achieved in theory and practice. It seems that all that counts for rather little for socialism as it has been and is being practiced in the Soviet Union (where unemployment is not admitted to). Democratic socialism is dismissed as an appendage of capitalism, and whenever socialists do not go along with the communists, they are given this label out of meanness or irresponsibility.

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And what is said about the Meidner plan, which the Swedish democratic socialists now present as an organic development of their gradualistic action? This plan is intended to achieve labor participation in big business through stock investments under the control of union savings; in the long run this may coincide with the self-management model as well as fulfilling the democratic socialist method of gradualist reforms and basic democracy.

Given this attitude of Berlinguer and his intellectuals, there are those who have reacted by saying, "the third way, then, doesn't exist." I think this is a mistake. There does exist a Berlinguer model of a peculiar stamp that was conceived by catholic communists even before it was established in theory by Eurocommunists, and it is dangerously pervasive in our country. It is supposed to spread gradually by means of the historical compromise. It has presumably been understood in slightly different ways by the two parties to this compromise. Taking, for example, the feudal system (which is more than an example), a system with two vertices of power, namely, the emperor and the pope, will have these vertices come into conflict at some point.

The political essence of the model is "consociative democracy" rather than conflict. In economics it is extreme associativism, sector plans and links between banking and heavy industry (which is one of the keys to future conflict). For culture, it is dogmatic domination of intellectuals through the purchase and controlling public subsidy of centers of instruction, research, information and culture, their takeover by conformists and the purge of heretics. Austerity rules everything.

The death of Moro was an important event for this "third way," which assigns a great role to the majesty of the state and to the state's superiority over the individual. We can say, therefore, that this model already has its first martyr (however tragically involuntary) and its first hunt for heretics (which is going on ostentatiously).

The economic, political, cultural, "consociative" and "concerted" aspects give the model consistency and coherency in admirable doses. This goes against the demands of democracy and pluralism, which admit both private economic forces (and differences in wealth) and elections, with freedom of the press, assembly, association, labor organizing and pertinent limitations. Party union vigilantes, placement of party representatives on factory councils, mutual inter-party concession of run-off elections to local government bodies in order to rule the state in an "associated" government, the elevation of ideologizing and subjection to political power, which seeks to penetrate the universities, the mass media, the top levels of public corporations, etc., these are means for controlling a consensus and escaping direct control by the voters and the "liberal" clerics of culture.

The Scotti "bill," which is intended to legislate strictly the whole wage structure by forbidding a sliding scale for piecework, night and holiday differentials, overtime pay, etc., is an example of the new model of the third way. It is, more or less, the law of to each according to his needs.

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So too, however, are the decidedly bureaucratic and collectivistic sectorial plans, which are also amply discretionary.

The third way blocks capitalism and sends it to a slow death, if by capitalism we mean an economic market system that depends on competitive private enterprise. But at the same time, this third way encourages, protects and rather strengthens capitalists because it provides a fixed link between banking and industry that subsidizes those who side with the people in power.

The third way has a certain economic rationale of its own, although a purely relative one, and a potent attraction. The book "The New Economics" by W. Rathenau, a German economist and technocrat, who postulates it based on the German experience in the first world war and the monetary crisis, was not only read with admiration by the Soviet communists, whose sector plans it inspired, but it has also had its devotees in Europe for many decades: a vast number of bankers, technocrats and intellectuals. In it was that system of cartels among businesses, agreements between banks and businesses and the rationalized ties between private and state capitalism that is the essence of the third way and the economic basis of the historical compromise.

In a time of uncertainty, a highly organized world may have its fascinations. It satisfies especially the aspirations of someone who has struggled for a long time (first in exile and then in the opposition) and who now hopes for peace and the proud security of those who have arrived, if not fully, at least at a high station. From this standpoint, this model and the diffuse aspirations that have attached themselves to it could be called not the "third way" but the "third age."

Giuseppe Vacca: Provided Labor Is No Longer A Market

Socialism is not a /model/ of society (a determined means of production, unique governmental forms, etc.) but a /historical process/, the transformation of capitalist society into communist society. Its itinerary is set forth by the /contradictions/ of capitalist society. Its purpose is set by the characteristics that the protagonists of the transformation /may/ assume. The whole process is guided, basically, by a unique motivating idea: the possibility of organizing economic and social life according to the /will/ and the /awareness/ of workers of all types in free association with one another. What makes it possible is the creation of new kinds of /political power/ by the workers, power that is indispensable both for overcoming the classes that oppose this and for reorganizing the whole society in such a way that /labor is no longer a market/.

The principle of all the contradictions in capitalist society is basically the /reduction to a market/ of any form of productive, working or creative activity. The worth of socialism makes itself felt, therefore, to the extent that the market characteristic of labor /withers away/ ("labor" is taken in a very broad sense here) both in present socialist societies and in areas won by the workers within capitalist societies.

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If we begin with these simple ideas, which, however, constitute the scientific nexus of Marxism, the "third way" is a metaphor, as good as any, to say that with respect to recent experience we are looking for a new and broader definition of socialism. This is happening not because the ground covered so far is insignificant or teaches us nothing but because in the very act of furthering labor's emergence from its status as a market the "ways" that have been followed till now have produced obstacles greater than those overcome.

This is no minor thing. From the development of whole continents, for which capitalism had negated any prospect of progress, to the achievement of secure and dignified labor (although marketed), to the winning of fundamental social services (insurance, health, schooling, a kind of women's liberation, etc.), labor has made great strides both in the "state regulated capitalism" of the West and in the countries that have "achieved socialism." If we look at it from the perspective of world history, the "banishment" of capitalism in one way or another began at least 60 years ago. However, in all its variants, it has been accompanied by new ways of organizing labor as a market rather than liberating labor on the decisive field of production. But this is what all forms of freedom and unfreedom, in the final analysis, must lead to. In the context of world history, the road that has been traveled by the workers' and socialist movement is still directed by the hegemony of capitalist means of production: it is straitjacketed but has not been dealt a mortal blow.

To look for a "third way" means proposing to attack the enemy on this point, and not just to commit a willful and utopian act but because a complex historical development has reached a stage that calls into question both the production and political models of capitalist societies that are developed and more or less "managed" and also those of "achieved socialism."

Given the resources and needs, in today's world, of the peoples of whole continents (primarily "third" and "fourth" world) it is possible to say "enough" to the old /rate of exchange/ between developed and backward countries, and the old balances are no longer possible. In the coming decades, the world will not undergo another cycle of /unequal development/ without the destruction of entire peoples and the barbarization of developed societies.

The "managed" capitalism of the welfare state of various democratic socialist types has become, since the 1930's, the main protagonist in a 50-year drama of new and more seriously unequal development in the world. "Achieved socialism" has not succeeded in breaking this pattern either, because it does not ally itself practically with the working class movement of the advanced capitalist countries and does not seem able to ally itself generally with the liberation movements of underdeveloped nations.

Therefore, not only a new way but a new /idea/ of socialism appears necessary. A debate should be opened on the essential role of /political democracy/ in a new socialist experience that will finally succeed in changing the relationships in production. It would not be hard for me to indicate why there are

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many original elements in our country's general and political experience of the last decades that can contribute to such an ambitious renewal of socialism. However, I am out of space. Hence I must be satisfied with a preamble on the "big systems," thus disappointing the readers' expectations, perhaps, and certainly falling short of incisive political discourse.

Piero Melograni: Socialism Yes, But Democratic and European

The present debate on socialism has a very concrete and practical aspect. It is contributing to the renewal of the Italian left and to separating it further from both Leninism (the violent conquest and exercise of power) and the Soviet model. The present debate, however, is still too abstract. It is seeking "the ideal model" of socialism and ignoring the facts. It speaks of three models (Soviet, democratic socialist and self-managing), but in no case has an adequate examination of the existing reality been made.

1) The Soviet model. This model is generally criticized out of ignorance and fear. Yet it would be possible to explain to the workers in the street and factories how and why they would be the oppressed class in the USSR. Also, the middle classes should be told that they are dominant in the USSR but with privileges proportionate to the poverty of the environment. After 50 years of socialism and despite the immense quantities of raw materials available, the USSR has a gross per capita product equal to that of impoverished Greece and lower than that of Italy, which is low in natural resources. We are not talking about comparisons with the most efficient capitalist states: a West German has the combined income of three Soviets; and a Frenchman, that of 2 1/2. True, there are inequalities in the capitalist states, but the fact is that even greater and more shameful inequalities exist in the USSR and the other socialist states. Whoever has studied the facts of Soviet life knows this well. On the other hand, the left is silent, compared to what it could say. It is afraid. It does not study enough, and it does not understand how much some ideas it now believes in have contributed to the material and spiritual failure of the Soviet state.

2) The self-managing model. In this case, too, any discussion should start with the facts as they are. In Yugoslavia, some forms of self-management are already being put into practice. How do they work in terms of productivity and efficiency? Do they allow decisions to be made quickly and, when necessary, secretly? Luciano Pellicani has great faith in self-management. However, he has not yet answered the question I asked him last June in the journal MONDOPERAIO: can a multinational corporation be self-managed? I don't think so. Meanwhile, though, I see multinationalization as a phenomenon that is, willy nilly, extending itself everywhere (even to the USSR and China) and that we must come to terms with.

3) The democratic socialist model. This seems to be the only acceptable model. However, it is not a simple model because the practical solutions it offers may be infinite. It says in the dictionary that democratic socialism "pursues gradual reforms within the existing political orders." But the possible combinations of reforms and existing orders are immense. Democratic socialist experiments have been very diverse in appearance but have had in fact an impact

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on history with results that have been at times sufficient, optimum or disastrous. The democratic socialist experience of the French Popular Front must be renounced or, better, not renounced completely but studied in order to understand what must absolutely not be done. The Swedish democratic socialist experiment, fortunately, has been rather different from the French in both form and results. Nonetheless, in 1977 the Swedish voters preferred to suspend it. Let us not stray so far afield and take a look at Italy. In the last 20 years, the government has adopted many democratic socialist measures. What have been the results? The proliferation of public corporations has favored parasitism. The nationalization of electricity has been concluded with an entirely unsatisfactory statement of earnings. The labor law has contributed to paralyzing the labor market and even hurting the workers. In recent years, "contestation" in Italy triumphed over democratic socialism precisely because socialism was producing rotten fruit. Now that "contestation" has been defeated, the left can attempt a new democratic socialist policy, but which one?

Nor can the "model" or programs ignore the facts this time, either. The facts say that Italy belongs to the European community. If it wants to stay in the Community and remain a democracy, it must set about becoming efficient and modern, like France, the FRG, Holland and other countries where democratic socialists have come into the government without becoming foolish.

For more than 60 years the Italian left has been dreaming of the end of capitalism. For more than 60 years it has been collecting defeats. It may be objected that for decades, too, Italian capitalism has been taking its knocks. True, but by a curious coincidence it has been operating with these very enemies on the left. If we look closely, though, the coincidence is not surprising at all, for there is an indissoluble link between industry and labor. In a broad sense, one may say that capitalism and socialism belong to the same culture. Contrary to what many believe, neither the Mussolini era nor that of the Christian democrats represented the triumph of capitalism. The Mussolini regime was the expression of the middle classes and not of modern big business. I have documented this in a book published by Longanesi in 1972: "Mussolini and the Industrialists." Except for the reconstruction period, when De Gasperi collaborated with Einaudi, even the Catholic political class has always affirmed that its culture was foreign to that of modern capitalism.

Berlinguer and his Catholic counselors are proposing a "historical compromise" with this political class. They are proposing it for many and complex reasons. It is not to be excluded that they may feel that both cultures, communist and Catholic, can find room for agreement in their aversion to modern capitalism and liberalism. We may suspect that the very formula of "austerity" proposed by Berlinguer and his Catholic counselors indicates not a transitory economic policy (necessary to put production and consumption back in circulation as soon as possible) but a real, true "value" of the new society: austerity as

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renunciation of consumerism and the "pomp" of the world, as the Soviet model of society does, for that matter.

The traditions of democratic socialism favor a radically different historical compromise from Berlinguer's. The democratic socialist left can still make a pact with what remains of modern capitalism in Italy in an attempt to seek a way out of the present crisis. As in any deal, both parties will give and take. If the deal is defined clearly, millions of Italians will subscribe to it; they still want to work, create and live better than their ancestors. Austerity will not be popular any more.

Siro Lombardini: But No One Has Said Who Will Govern

The debate on the third way has cultural contents and political motives. The political motives have, predictably, adulterated the "cultural" discussion. Actually, it has developed along two main lines: an illuministic historical context and a purely ideological one.

Past experience leads Bobbio to recall that there are only 2 roads: the Leninist, which shows a sufficiently homogeneous experience, and the democratic socialist, whose political structures and historical experience are not homogeneous. The democratic socialist total variety of experience is possible precisely on the basis of an illuministic conception, according to which the quest for more advanced social structures is "always" possible in a democratic parliamentary context. The choice between the two ways and the a priori exclusion of a third way is already implicit in this conception.

I think we can take for granted that at a certain level of development any social structure cannot be considered advanced if it does not conserve and develop the values of democracy. On the other hand, the support of the left, an increasingly ambiguous term, however, cannot be said to be necessary (let alone sufficient) to guarantee either the permanence of the democratic system or its development towards more advanced social structures. What is needed for an unequivocal discussion of these themes is first to isolate, primarily by analysis of the economic system, the historical reasons for which the present system can go into crisis and out of this crisis bring forth a system that bears some resemblance to the emerging ideology and that must result from an interaction between the understanding and valuation of the historical process and so may be considered socially more advanced. A historical analysis free of illuministic prejudices, besides creating a crisis for the bipolarization of the "two ways," shows that it is impossible to resort to either of them in the case of Italy because of their peculiarities and the new problems that historical development presents, as I sought to explain in my article in RINASCITA of 29 September. Maybe no third way exists; but then there is something missing, which is a hypothesis that can certainly not be accepted as the "hypothesis of labor."

Others arrive at the third way with essentially ideological arguments (in particular Cicchitto; see his article in the 7 October issue of GIORNO). The third way would then be a political choice. There is a third socialist way and a third communist way; these products will be offered to the voters, who

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may then choose. Cicchitto lacks a serious analysis of the crisis of the present economic system, overcoming which crisis will bring about irreversible modifications in some essential characteristics of capitalism insofar as the mechanisms of accumulation and the relevance of public demand (social services) are concerned, whence it becomes possible and necessary to shape ahead of time by means of political decisions the kind of development that in capitalism is generally left up to the marketplace.

Let me make something clear. When we talk about the crisis of capitalism, we are not saying that a cruel revolution or some other kind of breakup is inevitable in the political and social system. The present structural crisis may succeed in gestating a new social system. Since it is a matter of realizing how irreversible the modifications are that are being made in the structure of power, it is unthinkable, at least in situations like Italy's, that the present crisis will be solved through a bipartisan political system, as I attempted to explain in my article in LA DISCUSSIONE of 25 September. Can the new system still be considered a capitalist one? After all, it must take over the business functions of a mortally wounded state capitalism and replace the action of the marketplace with planning. I hold, rather, that it can no longer be considered a capitalist system because the direction of development is no longer determined by the marketplace, and the accumulation of capital is decided responsibly by the collective. This is a semantic question that is not irrelevant to ideology but which should not be prejudiced by considerations of present processes and planning.

The discussion of the third way is ideologically motivated. It is highly desirable that the parties regain their ideological identities. The articulated convergences that are necessary practically to overcome the structural crisis can be put in real danger by ideological entropy, which reduces politics to pure pragmatism. One cannot fail to worry about the ideological recovery (or fall?) of a party (the PSI [Italian Socialist Party]) destroying the possibility of articulated convergences. Not so much for the equivocal political position of the Socialist Party, which uses various arguments to exclude a government with the communists because the latter are still Leninist (nor do I think Craxi expects his invitation to the Communist Party to change its ideology as it would change its clothes to have the desired effect) and detests the alliance with the DC [Christian Democratic Party], which is considered a conservative party (a judgment, moreover, that contrasts in Cicchitto's article with his evaluation of the center-left experience). So much for the political prospects as they now appear.

I have always hoped for a strengthening of the PSI, which I consider a condition of maintaining a cultural and political articulation indispensable for our country, but if this strengthening takes place on account of the success of Craxi's strategy, our democratic system will be put in serious danger. Let us imagine the political situation that would prevail after elections that gave the PSI 6 or 7 more points but pushed the PCI towards, shall we say, somewhat more "radical" positions. A PCI-PSI government becomes impossible; a DC-PCI alliance becomes unimaginable. The return to the center-left would not be accepted, and with reason, by the PSI. Only a government

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led by the PSI with CD participation would remain. But you don't have to look very far to see that such a government would certainly not be up to governing the country, and it is not difficult to imagine what the prospects would be.

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ITALY

PARTY LEADERS ASSESS 'THIRD WAY' TO ECONOMIC RECOVERY

Fabrizio Cicchitto, PSI

Milan IL SOLE-24 ORE in Italian 20 Sep 78 pp 1, 2

[Report on interview with Fabrizio Cicchitto, head of the PSI economic section, by Claudio Alo: "This Is the PSI's Economic Switch--After the Ideological Renovation Started by Craxi"]

[Text] Rome--It has been exactly 2 months now that the midsummer essay on pluralism and Leninism written by Bettino Craxi has been under discussion by the Italian, and not only the Italian, intelligentsia--a discussion that has frequently assumed heated overtones in leftist circles, reviving issues of ideology, international ties, and the commonality of ancestry between communists and socialists. Craxi has frequently contested the interpretation given to his article by many who see in it an ideological and policy switch by the "new" PSI [Italian Socialist Party]. It may very well not be a switch, but certainly the beards of some venerable ancestors have been significantly cropped, without, however, having succeeded in untangling the ideological matting.

Much remains to be defined in theory, but it is the "new" PSI's entire praxis which most needs to be verified, its approach in practical terms to the ever-increasing problems posed by an industrial society to which the great political parties have, for the most part, remained strangers. Deeming the importance of this practical approach to be anything but secondary, we presented Fabrizio Cicchitto, head of the PSI's economic section, several substantive economic questions, to which the Socialist Party has not yet fully replied.

We did not expect, in this manner, to resolve all the knotty basic issues of a party in convulsive movement with heavy clouds yet to be dispersed. But the replies given us by the PSI representative, well laced though they were with fine distinctions, shadings and, at times, obscurities, provide a basis for pursuing a debate that is of unquestionable interest to the identification of the "new" PSI.

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The following points, for example, which we have greatly summarized, appear to us especially significant:

The PSI remains fundamentally an expression of the working class and of the democratic middle classes. It is the interclass movement and the confusion of roles between the right and the left which give rise to the ambiguities of language and the confusion of concepts. Precisely because of this, and because of the complexity of a class structure in an industrial society, the fundamental political problem for the socialists is the creation of a reforming alliance that reflects this pluralistic structure. That reforming alliance would allow for a free enterprise system whose objective would be an innovative response to the crisis, and which would be "tested against the objective of gradually modifying the international division of labor, expanding the productive base into new technological sectors, and in sum, capturing new markets and technologies for Italian industry."

The PSI is for a democratic transformation of the present social structure, and at the present stage fights "for reforms in the capitalistic system." A socialistic society could accommodate a plurality of diversely regulated enterprises.

The "marketplace" must be demythologized, in that today, with the development of monopolies and oligopolies, the marketplace is highly manipulated. Paradoxically, therefore, only a policy of regulation can restore its function as an effective social and economic barometer.

The enterprises to be expropriated are those that pervert economic power into hegemonic political power which bypasses democratic institutions and closes true avenues of freedom for citizens and for nonhegemonic enterprises.

Free enterprise remains a hypothesis to be formulated and tested in practice; until then, it is but a theoretical concept.

The "new" PSI is clearly positioned within the sphere of European socialism, considering it counterproductive to seek mutually exclusive social democratic or Soviet alternatives.

Following is the text of the long interview:

[Question] Mr Cicchitto, in a recent interview clarifying his essay on Leninism, Craxi said: "We are aiming at a democratic and free socialism that will admit all those who labor for a living as well as those leaders in private enterprise who work not only for themselves but also for others." This is unquestionably an interesting statement which contradicts, however, the predominantly class concept of politics supported until now by a PSI that has been tied, at least in principle, to the Marxist tradition. Can you state whether, and to what extent, the "new" PSI has overcome the class concept, and what free enterprise--as indicated by Craxi--can be accepted in this party?

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[Answer] I am very pleased to respond to the questions of 24 ORE, taking them--correctly, I believe--to be not a qualifying examination of socialism for admission to the economic world, but rather an invitation to clarify our objectives, immediate and long-term, without ambiguities of language. It is in fact desirable for a party representative to say the same things to the newspapers of different orientations, as are, for example, 24 ORE and RASSEGNA SINDACALE.

I shall reply first to the question as to whether or not we remain class conscious. The Socialist Party remains fundamentally a party expression of the working class and of the democratic middle classes.

The interclass movement, the confusion between the roles of the left and the right, is at the root of the ambiguity of language and untidy definition of concepts.

An open dialog means a clarification between parties and roles. Naturally, we are aware that the class structure of an industrial society is very different from and more complex than the two-sided one of a close-knit group of exploiters and a massive proletariat prophesied more than 100 years ago. For a party like ours, whose objective is to transform the social structure in an egalitarian and democratic sense, the fundamental political problem is to find the way to a reforming alliance that reflects this pluralistic structure.

In the reforming alliance being hypothesized by the Socialist concept, there is room for a free enterprise whose objective is an innovative response to the crisis, and which is commensurate with the objective of gradually modifying the international division of labor, expanding the productive base into technologically new sectors, and, in substance, capturing new technological and market areas for Italian industry.

This type of free enterprise would pursue these production-base-broadening objectives through government contracts for public works designed to achieve specific objectives, and clear, nondiscretionary procedures. In my opinion, the requirements of "innovation" and "assistance" are binding on the private and public sectors alike.

Frankly, as things now stand, I think the innovative aspects of free enterprise are neither in the majority nor prevalent.

Free enterprise exists, however, and it can be recognized by our party without reciprocal ambiguities.

[Question] It would seem, reading the "new gospel" of the PSI, that the marketplace would stay but capitalism must go. Luciano Pellicani wrote in AVANTI!, "I have never identified the marketplace with capitalism." Craxi said in his essay: "Democracy presupposes the existence of power

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centers (economic, political, religious, etc.) in competition with each other." De Martino, however, has objected, "After the death of Engels, only Bernstein refused to accept Marx's doctrine, and reached the point of admitting the need of a private economic system. This, however, can never be the position of the PSI."

Would you, Mr Cicchitto, state now to a confused citizen whether the PSI is for or against capitalism; for or against the marketplace; whether it accepts private enterprise within the scope of pluralism, and with what economic and social functions?

[Answer] The PSI is for the democratic transformation of this society. In our proposal we have clearly stated that it is possible, even in a socialist society, to hypothesize a plurality of enterprises governed by diverse regulatory schemes. In the first place, the question of the marketplace needs to be demythologized. I don't know whether the marketplace so angelified by liberal polemics has ever existed. What is certain is that, today, since the development of oligopolies and monopolies, the market is highly manipulated. I need hardly explain to the publishers, editors and readers of 24 ORE the extent of the discretionary powers enjoyed by the large enterprises in the management of pricing policies.

Without effective government intervention, moreover, the marketplace is unable to resolve three basic problems, and can only accentuate their distortive effects: the structural imbalances (example, southern Italy), unemployment and social inequalities. Unfortunately, in Italy we have a spurious Keynesianism, converted into a policy of welfare and doles.

This is not a good reason, however, to exhume Von Mises.

Paradoxically, therefore, only a policy of economic planning can restore to the marketplace its function as an effective social and economic barometer, provided planning is accompanied by a set of policies designed to create the conditions of equality and of security for all economic entities, and provided it is backed by antitrust legislation, the value of which should certainly not be overestimated but on the other hand should not be cast aside.

[Question] Let us further clarify the marketplace concept. Pellicani has written: "When I speak of 'socialist marketplace' I refer to a marketplace that has been socialized, and indicate regulation and self-management as the two pillars of socialization of the marketplace." He immediately adds: "As regards the procedure for achieving that marketplace, I have repeatedly reverted to the Meidner plan, which provides for the expropriation of the large capitalistic enterprises, of the economic high ground, by the collectivity of the workers."

Could you now explain in understandable terms what enterprises, according to the PSI, would be expropriated, and under what conditions and principles they would be self-managed? What, in effect, are the roads to be traveled?

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[Answer] In my opinion, to build a new kind of socialist society-- qualitatively different, that is, from the Eastern ones which the PCI [Italian Communist Party] regards as socialistically structured with elements of liberalism in the superstructure, but which the PSI regards as nonsocialistic, and as rather the negation of socialism and, in certain respects, the most insidious enemy of the socialist endeavor in the West, where many who favor transforming this society associate socialism with the Eastern experience and recoil from it horrified--the enterprises to be expropriated are those that pervert economic power into hegemonic political power which passes over democratic institutions, dictates the operative terms of government officials and creates a "corporate power structure" that denies the real freedoms to the great mass of the people but also to other enterprises--the nonhegemonic ones.

In drawing up the socialist proposal, we started, in what concerns enterprise, from a basic perception of reality. Experience has shown that, even within an authoritarian environment, there is more democracy in a private enterprise in which there is a strong union presence than in a government-owned enterprise where the unions and workers are deprived of freedom on the premise that they possess a certain governing power which is administered for them by a party which "substitutes" for them at all levels.

Our proposal, in not only referring to the present phase, which consists of a struggle to reform the capitalist system, but in also trying to delineate a socialist model, provides for the coexistence of numerous types of enterprises: private enterprises, cooperatives, nationalized enterprises, self-managed enterprises, all fitted to a marketplace that is regulated by a democratic program, both as regards its objectives and its processes, which is the result of a democratic political struggle. Socialism, in our view, is not a society pacified by conformism. This is why we make use of a somewhat terrifying adjective when we speak of "a conflictual democracy," a term with present as well as future validity.

Dissent, the possibilities of alternation and of alternatives, all brought into play on a democratic level, are, in our view, equally valid factors in today's society as well as tomorrow's. It may be said, and it is true, that a nationalized enterprise can exercise hegemonic political power. For this reason, to attenuate or eliminate this risk, we consider it necessary to specify programmed objectives, on the one hand, and to institute industrial democracy within nationalized enterprises, in which representatives of the workers, technicians and employees will monitor the conformance of the conduct of management policy to the planned objectives. Self-management is a hypothesis yet to be formulated and tested. An enormous amount of conceptual writing exists on self-management which is difficult to reduce to a formula. I cite Rosenvallon's book and especially its preface by Giorgio Ruffolo. I wish only to add that self-management is an objective, namely, that of the total socialization of economic power, which can be tested under a specific condition. Considering its experiences as a whole, in factories

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(putting aside issues concerning parties in the workers' movement) and in the exercise of power from the bottom, the laboring class has fulfilled an important role in its opposition to entrenched traditional power, to exploitation. This role has been denied them at times, in the experience of the working classes of some European countries and in the United States, by a corporativism present even among the masses. However, the hypothesis of a working class becoming a general class that evolves new levels of productivity has not been fully verified. The concept of self-management is based on this potential.

This potential must be demonstrated in practice; otherwise, it remains a theoretical concept.

In my judgment, following a general development of culture, type of work and qualifications, some sectors of the working class are capable of carrying out this experience and establishing an entirely original relationship with employees, technicians and management. This is the "new working class" of which Mallet spoke. Mallet conceived of a working class of this type in terms of great magnitude.

Experience, however, tells us something quite different, namely, that there has not yet been a development of the working class from a mere social force of opposition to a general class in the above sense. This is why we speak of a multiplicity of types of enterprises and we distinguish between industrial democracy and self-management.

[Question] We have talked of the search for a new model of socialism, which in reality has yet to be defined. Could you tell us, at least in outline, the major points that would differentiate it from German social democracy, which seems to have reached an optimum working arrangement with capitalism?

[Answer] We are bound to German social democracy by its dedication to detente, which draws it into continual attacks by the forces of German and international reaction, by its capability for realizing a very advanced and effective system of social services, by its solidarity with the labor union movement, and by its endeavors, which have not yet been entirely successful, toward instituting industrial democratic forms within the hard, compact reality of German capital. In this sense, the idyllic representation of the German reality, contained in your question, seems a bit forced. We do not entirely agree with "banning the practicing of one's profession" [berufverbot] because the fight against terrorism, which must be conducted mercilessly, must not, however, be converted into a fight against dissent. The laissez-faire that has characterized their economic policy has not prevented a very high level of unemployment. We know for a fact in this regard that the SPD [Social Democratic Party] is engaged in a very close review and tense debate to revise its position. Let me add also that what most differentiates us from the SPD is the fact of the widely different situations in our two countries, which is reflected in our respective party

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lines. Germany is a country split in two by the Berlin wall. At the same time, it does not have the territorial imbalances that characterize our country. All of this places our political problems, ideological options and economic policies in different contexts. In any case, we are clearly positioned within the European socialist sphere, to which we contribute our ideas and our history. We consider the search for a way that is neither social democratic nor soviet--the latter requiring not only ties with the URSS but also an affirmation of the superiority of this form--to be entirely counterproductive.

This confirms the validity of the ideological and political debate that we have opened with the PCI to construct here in our country a dialectic based on the alternative wherein the left need not, because of its differences, apply to the DC [Christian Democratic Party] for legitimization in order to govern a Western industrial socialist society.

[Question] Expropriation of the enterprises, economic planning, controls on investments; in substance, dirigisme. And this at a time when the 3-year plan calls for a resumption of investments and employment with strong private support. With reference to Craxi's statements, Guido Carli has written: "One might ask whether a country that captures almost 70 percent of the financial resources produced annually and determines their ultimate utilization satisfies the conditions for pluralism." We ask the same thing: Must we go further or can we remain at this level and still satisfy the requirements for pluralism?

[Answer] The problem is not only quantitative, but also qualitative. It is precisely investments and employment which are not evident in the 3-year plan. We have been very clear. There must be a cutback in government spending and restrictions on salary increases.

Even considering the fact that labor cost computations are heavily weighted by the inclusion of executive salaries--which many economists, including Sylos Labini, view as an internal distribution of profits--there can be no doubt that the basic problem today is not one of redistribution of revenues but rather of revitalizing their accumulation.

Having said this, however, your questions need to be reversed. Will the containment of salaries and the availability of greater financial resources for enterprise guarantee resumption of investment and employment? There was a "belt-tightening" in 1964-67, but there was not resumption of investment. Will there be an effort to modify the country's productive base and structure, or will we limit ourselves to a restructurization of what now exists? Let us consider the problem in its European aspects, and assume the present international division of labor continues. Do we expect to resolve the country's industrial problem while maintaining unaltered the structure and traditional weighting of the various industrial sectors, by gambling on devaluation, on the intelligent foreign exchange maneuvers implemented to

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date by the Bank of Italy, on the labor black market and decentralization of production, without modifying the real productive structure?

Doctor Carli and IL SOLE-24 ORE pose sharp questions but are very frugal with answers.

[Question] In a hypothetical socialist regulation of the economy, many of its institutional aspects would naturally have to be revised. As recently as in the last few days, you have again postulated the need for unified government of the economy. How would you structure this "unified government" and how would you resolve in this context the problem of the regions, which, although today they represent a useful and democratic decentralization level, would become a discordant and retardant element in the economy-governing maneuver, especially because of their widespread lack of capital?

[Answer] Actually, we posed the problem of a unified government of the economy in the face of the incredible fact that Minister Pandolfi had been left on his own to draw up the 3-year plan, as a result of which it had been reduced to a unilateral, mutilated document. With regard to what I consider a triumphant revival of "feudalism" insofar as concerns organization of the government--a revival involving everyone to some extent, from the government to the parties, from Confindustria [General Confederation of Italian Industry] to the large enterprises and labor unions--it seems to me that the government, especially with respect to the economy has reached the limit.

Each ministry is now a castle complete with guards and drawbridge. This raises the issue of concentrating in a single ministry the responsibility for managing economic policy, with its consequent onus and honors. To the contrary we will, in fact do, have an orgy of sectorialism. To the sectorialism of parliament, which permeates even this legislature (the success of the expression "sectorial plans" has served to enoble it), is added that of the executive.

A single "government" of the economy could foster a tighter bond with the regions and organic unity in the economic policy-governing maneuver. The regions have assimilated many of the flaws of the nation, the government and parliament. They too, in our hypothesis, need a single center. Democracy is not achieved, in fact, by confusedly proliferating centers of power, but rather by rigorously diminishing and controlling them.

The present fragmentation at national and regional levels fosters discreteness and arbitrariness in government. In our view, we have been very clear as regards the 3-year plan: Sacrifice must be demanded of all, even including a cutback in government expenditures and a containment of salaries applied equitably; and tax incentives must be used in a very different manner than in the past. With regard to the latter we have set out to formulate a new proposal for the fight against tax evasion and for ways of expanding the tax base in case a new tax increase becomes necessary.

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The Italian economy, however, is not in need of a deflationary "freeze" nor of a purely quantitative revival of production. The essential need is for programmed territorial (southern Italy) and regional investment planning. On this basis, we are prepared to assume our responsibilities and our share of the unpopularity and to take on anyone seeking to engage in games of one-upmanship or corporatist practices. Italian enterprise, in its dealings with the labor unions must come to terms with two basic issues.

It is not true that the sliding wage scale and government expenditures are exclusively the responsibilities of the left or of the labor unions. Government expenditures also comprise very substantial transfers of funds to enterprises and the policy of doles to which Ingrao referred some years ago as the organic expression of the Christian Democrat power structure. The sliding wage scale agreement was precisely an agreement between two parties: the labor unions thus obtained the automatic recovery of a sizable portion of lost purchasing power. Business enterprise, however, was not all that innocent and helpless when it concluded the pact, since especially the large enterprises obtained a substantial reduction in the incidence of management-labor conflicts. The problem today is this: The unions, in part also because of the sliding wage scale agreement, see their traditional contract negotiating areas being reduced. If they do not regain negotiability of some contract issues and some of their lost power, the danger of wildcat strikes looms dangerously, even more so since wages in some categories have been leveled to a point that is degrading to professionalism, to say nothing of the marked disparities between categories. Labor must acquire the power to shape national economic policy and specific social reforms.

Enterprises must address the issue of industrial democracy, that is, of factual confrontation on investment policy. This can be achieved, however, not in the present vacuum, but in the framework of a major economic planning operation designed to qualitatively transform and to modernize our industrial structure, which will require forms of confrontation within a social context that differs substantially from the present one. This is the terrain on which the innovative wing of the world of enterprise can test its strength.

Let me provokingly recall the contribution made a year ago by the young industrialists, precisely in the area of labor participation in enterprise.

In this context, we socialists speak, on the one hand, of industrial democracy and, on the other, of a labor mobility, to be achieved through a labor agency, that will make necessary job transfers possible, not through primitive mechanisms but rather through procedures designed to assure workers of continuity of employment, and to assure enterprise of a greater flexibility, based also, however, on a redesign of the work management system in view of the undeniable crisis of Taylorism. All of this can be accomplished on the basis of an ambitious operation, which must start immediately, of change and of modernization of our basic economy. Only by this means, and not

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through deflationary "freezes" nor purely quantitative "recoveries," can we catch up with Europe based on a marketing capability of our own. Otherwise, we will simply go from the dollar economy to that of the mark, with the added consequence that whereas we are now importing inflation, tomorrow we will be adding to our own unemployment a measure of foreign-induced unemployment.

[Question] As regards the PSI's connection with labor: Until now, and especially since 20 June, the PSI has been playing leapfrog with the PCI in pursuit of an ultraleftist consensus and at times covering labor's most unacceptable and corporatist positions, in open contrast with the demands of an economy that is on the verge of collapse and burdened with an enormous mass of unemployed.

Does the "new" PSI intend to continue this pursuit of a consensus at all costs, or will the socialists accept their share of electoral unpopularity with a view to a genuine recovery of the economy, as the two major parties have already done?

[Answer] I don't see where the two major parties have accepted this share of unpopularity with a view to economic recovery. The two major parties have acquired a certain unpopularity because behind a front of national unity they have, since 20 June, created a kind of preferential axis without managing to achieve an economic recovery and to introduce elements of change. Today, as a result, they are seeking to recover consensus by accusing anyone who criticizes or states the facts of boat-rocking. We socialists, from this point of view, have been and still are being subjected to a crossfire. The fact is that the government of national unity has proven to be no better than the left-center ones. This generates tension and crisis in the labor union movement, the more so since many Catholic and socialist union leaders recall their autonomy during the period of left-center governments and are blaming the conduct of the communist labor leaders as judged from a political viewpoint. In any case, your question gives an erroneous impression of the PSI's economic and labor union policy, which has been very specific: Sacrifice, on the one hand, and labor union power, on the other, must be directed to the resumption of investments and employment.

Putting all cards on the table, the real problems are of another sort. In the first place, this channeling of sacrifice has been lacking until now because of the government, significant sectors of the world of enterprise, and Confindustria. In the second place, we must admit the limitations of our internal mechanism. We can express a party line and seek consensus on it. But we have neither the mechanisms of Christian Democratic interclass power nor those of the PCI's centralized democratic power to "bring into line" those factory workers who dissent. If business enterprise desires to achieve a general consensus of the masses, it can still play the card of the historic compromise: It is possible for those sectors of enterprise most interested in the revival of subsidized capitalism to gain, within a short time, a substantial advantage.

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The new socialist party line, in a hypothetical alternative, aims at a new reforming and "productive" alliance. This alliance could accommodate the kind of enterprise to which I have referred in my answer to your first question.

Pietro Longo, PSDI

Milan IL SOLE-24 ORE in Italian 23 Sep 78 pp 1, 2

[Report of interview with Pietro Longo, deputy secretary and head of Economic Affairs of the PSDI, by Claudio Alo: "It Is Rather the Public Sector Which Should Be Expropriated--According to Interview With Pietro Longo (PSDI) Following Clarification on Socialist 'Switch'"]

[Text] In the current far-reaching debate among the leftist parties, the beards of many venerable ancestors have been unceremoniously cropped; however, this esthetic operation has not always been transfigured into a substantive change. Lenin and Marx have been discussed, Prudhon has been dusted off, but the viewpoint from which the complex problems of a nation midway between capitalism and welfareism are being examined remains hazy and distorted. Some clarification of many points at issue still unresolved by the left, and especially by Craxi's PSI [Italian Socialist Party] which, more rapidly than the others, seems to have opted for ideological changes, were provided by the long interview granted to IL SOLE-24 ORE by Fabrizio Cicchitto. However, the majority of the questions regarding the way in which the socialists, and the left in general, intend to resolve our country's major economic problems remained inadequately answered. The leftist parties are still divided among the several approaches (utopian and others) being proposed and which include: the overcome of capitalism, a reform of capitalism, the finding of a "third way," and, more pragmatically, adoption of the road already being traveled by the large European social democracies. The latter road attracts the Italian social democrats, who have recently resumed courting of former PSI members, although more much more on an ideological platform than on one of practical interpretation of economic issues. This was confirmed to us by Pietro Longo, deputy secretary and head of the PSDI's [Italian Social Democratic Party], whom we interviewed in the party headquarters. The headquarters is papered with proofs of the new posters that will shortly invade the country's streets in preparation for the European elections: a flight of stylized swallows--or so it seems--each bearing the colors of the flags of the nine EEC countries--evidently headed toward a social democratic victory.

"Our view of PSI's current ideological process," said Pietro Longo, "is definitely positive. Our socialist friends have lately arrived at a point of ideological parallelism with the European social democracies. We were already there and so we have somehow met. However, the parallelism does not hold for their economic analysis. And the reason is simple, even on the basis of a reading of the interview with Cicchitto. I must say that not all of the inferences have been deduced that must be derived from the premises themselves and from the political choices that even Craxi's party have made."

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[Question] Do you mean that the social democratic option, to the extent it may have really been adopted by the PSI, presupposes a more decisive choice, a more European one, in economic matters as well?

[Answer] Yes. In the PSI's recent party line, there is notable clarity in regard to certain, let us say anarchic, political choices, but that clarity and rationality are lacking in its analysis of the errors of a certain kind of state-controlled capitalism and of communism. Let me explain. I think that a critique of many leftist values and myths and of the PCI in particular, such as that started by Craxi, can hardly fail to result, almost automatically, in a rediscovery of the values of a free market, corrected, of course, so as to ensure a maximum of social justice and the safeguarding of the general interest under the system.

[Question] Marketplace and free market are terms that are not always understood to have the same meaning. What is the meaning of free market for the social democrats?

[Answer] In a somewhat scholastically synoptic manner, I could define it as a method of organizing economic life that depends on the free interaction of the desires of the various social components, be it in the determination of investments or in that of salaries, provided, of course, as I have already said, that in a democratic system the freedom of the market must be oriented on the choices of collective interest made by political forces and on the principles of social justice that defend the weakest categories. The latter include the consumers of monopolistic products. It is a system that must be free of dirigisme (the antechamber of state-controlled capitalism) and of primitive liberalism, and that has a basic orientation provided by a political class that acts as guarantor of the existence of the system and of the absence of distortions such as monopolies, state capitalism or, it must be said, the abuse of power by some social groups, whether majority or minority.

[Question] This seems to be an ideal market, which in Italy has probably never existed, and much less today.

[Answer] Well, we certainly are in a system too unbalanced toward the public sector. But this is due in part to a faulty private enterprise, which has sought and continues to seek profits outside the marketplace, which has wanted and continues to want a subsidized economy. And this degeneration has been aided and abetted by a phenomenon that is typical of a country like ours which has had neither a protestant nor a capitalistic revolution, and where Catholicism has deeply rooted two concepts of sin: sex and money. Thus, both activities must be clandestine. In this sense, we consider European socialism a broadly protestant one and much more organic to a marketplace economy.

[Question] Pellicani says, "I have never identified the marketplace with capitalism." What is your view?

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[Answer] Theoretically, there can be a marketplace without capitalism. But if we add to the marketplace the concept of initiative, there will always be a parallelism between the two concepts, and hence a presence of capitalism. We accept the marketplace and the presence of capitalistic forces within the marketplace.

[Question] The socialists have explained, at least theoretically, which enterprises they would expropriate. Which ones would you expropriate?

[Answer] In the present Italian situation, even some public enterprises should be expropriated. Unfortunately, there is the risk that some of the private ones would also be involved because of unresolved, congenital weaknesses in some private productive sectors.

[Question] The socialists recommend taking the road of self-management, at least partially. What is the PSDI position?

[Answer] I think we are at a stage where some groups could be self-managed, testing new formulas that might yield positive results. Clearly, however, self-management can only be an insert in a pluralistic system that has been well articulated.

[Question] In conclusion then, and using a terminology that is in vogue: Is there, in your view, a "third way"?

[Answer] No. For us, the road to be followed is that of the European social democracies. The rest is opportunistic polemics--use of tactics.

Luciano Barca, PCI

Milan IL SOLE-24 ORE in Italian 29 Sep 78 pp 1, 2

[Report on interview with Luciano Barca, head of the Economic Planning and Reforms Section of the PCI, by Claudio Alo: "This Is the Marketplace According to the PCI--An Outmoding of Capitalism Without Elimination of Private Enterprise"]

[Text] Rome--The polemic triggered by Bettino Craxi's disruptive midsummer ideological essay has not yet been exhausted--a polemic that is undoubtedly stimulating but which, as Ugo La Malfa points out, has not yet descended from the level of lofty systems for dealing with the basic problems of our society. From the practical viewpoint, it has remained sterile. In an effort to contribute more practicality to the yield of this extensive debate, which to date has remained predominantly theoretical, IL SOLE-24 ORE is interviewing representatives of the major leftist parties on the ways in which their respective postulations would modify an economic system considered by them to be outmoded and in crisis. On 20 September we published an interview with socialist Cicchitto, and on 23 September an interview with social democrat Longo.

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Today we report on a long interview on this topic with Luciano Barca, head of the Economic Planning and Reforms Section of the PCI [Italian Communist Party]. The interview unfolded on an entirely different plane from that on which the socialists have been maneuvering until now. It is clear that, as was Mr Barca's evident intention, no direct polemic thrusts emerged from this interview. The polemic with the PSI [Italian Socialist Party] continues nevertheless, and it is substantive.

The PSI starts from a delineation of ideological positions and ends up their prisoner, focusing on them to the point of being unable to find a practical compromise enabling it to act in some way and modify the country's present situation.

The PCI, instead--and this emerges clearly from the answers given to us by Mr Barca--focuses above all, and in the first place, on this practical compromise, aiming for a gradual approach to an ideal model considered more as a point of reference than as an objective of difficult, if not impossible achievement.

"Our point of departure," says Barca, "must be an objective estimate of the economic situation and the processes actually in progress. If we want to keep our feet firmly on the ground, we must admit that the factors in the structural crisis that capitalism is experiencing have been undergoing change in this country, thanks in part to the political makeup of which the PCI is a component. By changed factors I mean, for example, the rate of inflation, balance of payments, the fact that Italy succeeded in its undertaking, which at first seemed destined to fail, and increased exports to over 26 percent, in current lire, of the gross national product and to 99.2 percent of imports. This is clear evidence of the profound innovativeness of the processes put in motion, thanks above all to the policy of national solidarity being pursued by the PCI, and to the ability to govern being shown by the working class. Yet, these results nevertheless conceal profound contradictions, structural problems.

"Some results in particular, though obtained, have in no way augmented the system's ability to guarantee full domestic employment and to avoid the perverse alternation of inflation-stagnation cycles. It seems to me, at this point, that the political and ideological debate could gain a great deal of substance if we started from these facts, from an effort to interpret them, and tried to find an answer to the problems uncovered. In this way, the specific weights of the various leaders would be measured not by their ability to cite forgotten authors, but by their ability to find in certain authors a method, not just formulas or dogmas, capable of providing guidelines for research tied to the problems of today."

[Question] In sum, practically speaking, you are saying that outside of some situational improvements, rather than structural, recently achieved, the capitalistic system, and especially ours, continues locked in a profound crisis, and that the practical way to extricate it must therefore be studied. Is that correct?

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[Answer] Yes. This crisis, however, is not entirely economic. On the contrary, it is a crisis of the society as a whole, which requires, therefore, for its resolution, a serious reform process.

[Question] The PSI has also postulated that analysis in more or less the same terms. However, speaking practically, and not just ideologically, do you consider that the new leadership of the PSI has responded adequately to the necessities inherent in this analysis?

[Answer] I believe that the PSI is unquestionably underestimating the crisis and the drama of the options which, erroneously chosen, could destroy in 6 months the results that have been achieved. This has led some socialists--this is my impression--to the conviction that the emergency has in some way been resolved or at least greatly attenuated, and that we have reverted to the hypothesis that underlay the Badgodesberg decision in 1960, according to which the capitalistic system was assumed to be capable of guaranteeing a surplus in some way, which could then be subjected to reformistic administration without endangering the surplus by the reformistic, essentially redistributive, measures (which are distinct from structural reformistic measures).

I believe the difference between us and the socialists in the value we assign to the watchword "austerity" is that we interpret austerity to mean the need for the working class to take charge of the accrual process; take charge, that is, of producing the surplus, confronting in new terms, completely recast, the same problems that were confronted by the bourgeoisie when, with Smith and Ricardo, they proclaimed austerity a weapon to be used against the wastefulness of the rentiers and the lords of feudalism. When I say confront the same problems in a different manner, I mean that also for the working class the term austerity signifies a transformation of the structure, based on a different set of values.

[Question] Does the PSI therefore, in your view, propose only a kind of bland reformism that is not sufficient to resolve capitalism's profound crisis?

[Answer] I think the most recent phase of the debate within the PSI indicates a fallback to a more stimulating phase contained in the socialist plan, in which there was more of a reformist conception. I say this even though at that time I myself polemicized against the content of the plan which, in my view, failed to resolve basic problems such as the relationship between economic planning and the marketplace.

[Question] But how do you communists propose to overcome this capitalism: by profoundly reforming it or by eliminating it altogether?

[Answer] Our objective is to get rid of capitalism. However, a process of long-range reform emerges from a compromise with the forces of moderation

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and with capitalist enterprise itself. What the working class requires and must obtain at the moment it takes charge of the process of accrual, however, is that this process not be directed toward the goal of personal gain, as occurs with the capitalists and employees of capitalism, but rather toward values that interest the working class: those of freedom, justice and the satisfaction of those essential needs being neglected by the marketplace. Obviously, there is ample room for autonomy in the accrual process for those capitalist enterprises that do not oppose these goals.

[Question] You say that the working class has come of age and has taken charge of an accrual process whose objectives are the various values that interest the workers. However, you have also criticized a certain socialist postulation which is basically redistributive. Does it not seem to you that certain union initiatives, recent ones at that, although locally rather than centrally directed, have followed for the most part, if not exclusively, redistributive lines, ignoring the more general problems?

[Answer] I believe the institutional scope of unionism cannot avoid first-hand encounters with the problem of redistribution, and that a union should be put on notice of having gone too far or of having gotten too involved in the larger aspects of economic policy. I want to make clear that, with this, I am not defending all of the demands and all of the policies of the various units of unionism. However, the error of redistribution must be ascribed mainly to those political forces--first to the DC [Christian Democratic Party], then in great part to the PSI, and, for its share, to the PSDI [Italian Social Democratic Party]--which have made of the Italian nation a nation of subsidies and welfare, whose budget is characterized, not perchance, by an exceedingly high level of monetary transfers to families and business enterprises. To take charge of the accrual process means breaking decisively with this state of subsidization and confronting the relationship between the government and the economy on the basis of enhancing, and not suppressing, the creation of wealth.

[Question] Recapitulating, Mr Barca, you see, on the one hand, an emerging working class which takes charge of producing a surplus, devoted however, to achieving different objectives; and on the other hand you see ample capacity for accommodating private enterprises which subscribe to, let us say, a pure, traditional type of capitalism which, however, does not oppose socialized ends. In the overall hypothesis of the marketplace, how would the two forces be merged?

[Answer] In the first place, we insist that pure capitalism does not exist in the West and much less in this country. Practically, therefore, we are referring to a particular kind of state-controlled capitalism, and especially to the various characteristics that this state-controlled capitalism might assume. Now, from this viewpoint, the real problem to be confronted is indeed the merging of economic planning with the marketplace, which is still unresolved. In this respect, I believe we are all in

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agreement that the present socialist country models are not applicable, but it is also true that no one has yet come forth with another model that works. We are advancing our own conception of this merger, which envisions not a type of programming that denies the marketplace and its survival, but a type of programming that--and I am pleased to note that Cicchitto has adopted our formula--would work through the marketplace and would confront the crises of economic planning and the marketplace together.

What is the hypothesis on which we are working? That of no longer thinking, contrary to Marx and in accordance with Jean Baptiste Say, that supply automatically regulates demand and market outlets. That of getting away, in sum, from the traditional schemes of dirigisme in which the wishful thinking of the left-center remained entangled--those schemes which interpret economic planning always and solely as planning of supply. We, instead, believe in economic planning that addresses demand centers as well, that relates to both poles of the marketplace.

[Question] Is there not a danger that dirigisme, in exasperation, may suffocate the marketplace entirely?

[Answer] No. I'll immediately explain why. Government intervention on the side of demand could give rise to a sort of monopoly, with its inevitably attendant dangers. Keeping these dangers to a minimum, however, allows national decentralization to play the part assumed in it by a multiplicity of local institutions. This means, in other words, a revitalization of the marketplace through intervention by collective consumers, institutionalized or not, alongside the individual consumer, in the sense of a community organized to resolve the collective needs, which are fulfilled, in turn, by transforming them into economic demand to be placed on the market.

[Answer] In my estimation, a demand in which collective needs represents a significant factor, would result in a qualitative change in the demand itself, thus requiring a reconversion of production, a more fundamental one than the one in course. This gives rise to two alternatives: 1) this reconversion is brought about entirely by private capital and without creating employment problems, in which case government intervention becomes unnecessary; or 2) this reconversion requires substantial funding and assistance in various forms by the government and poses problems of labor mobility, in which case the government must intervene to ensure that the facilities thus provided are actually devoted to the objectives laid down in the planning guidelines.

[Question] Hence, the "PCI marketplace" also would amply accommodate private enterprises. Without exclusions? Let me explain my question further: Cicchitto has said that the PSI would expropriate those large enterprises that convert their economic power into hegemonic power. Pietro Longo has said, half seriously and half facetiously, that the PSDI would expropriate some public enterprises. Which enterprises would the PCI expropriate?

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[Answer] I think that at this time the working class should direct its efforts to the battle against any further expropriations requested by enterprises in crisis or financial trouble. The principal, if not the sole, objective must be that of increasing the efficiency of the existing public enterprises.

[Question] The impression exists, however, that the unions are continuing to press not only for the perpetuation at all costs of existing public enterprises even when the serious financial state of the government makes it inadvisable (as in the case of EGAM [Agency for the Management of Mineral and Metallurgical Concerns]), but are also fighting to bring into the public sector what is left of business failures in the private sector.

[Answer] Our point of view in this regard is very clear: In the first place, we must legally make public property of that which is in fact public property by reason of its having been paid for out of the taxpayers' money. In regard to refusal of permission to shut down, and especially in the case of EGAM, we cannot afford, within the framework of tidying up government fundings and transforming them into "paying" enterprises, to exclude even transfers from the public to the private sector, where this would help bring order to an agglomeration of diverse problems totally devoid of any vertical or horizontal coordination. It must be equally clear, however, that the PCI is opposed to assumption by the government of those sectors in decline, leaving to private enterprise those under development and being subsidized, of course, through the low prices charged them by the public sector. If there is to be a correct relationship between economic planning and the marketplace, the rules must not be partially applied, putting them aside when it is a matter of salaries and the sale of raw materials by the public to the private sector.

Valerio Zanone, PLI

Milan IL SOLE-24 ORE in Italian 3 Oct 78 pp 1, 2

[Report on interview with Valerio Zanone, secretary of the PLI, by Claudio Alo: "Does the PLI Really Like the Socialist Switch?--Not Very Much, But Marriages Are Not Made Between Close Blood Relatives, Says Zanone"]

[Text] Through a series of interviews with the representatives of the leftist parties, Cicchitto of the PSI [Italian Socialist Party] on 20 September, Longo of the PSDI [Italian Social Democratic Party] on the 23d, and Barca of the PCI [Italian Communist Party] on the 29th--IL SOLE-24 ORE has tried to shift to a practical plane--that of the problems and economic structures of an industrial society--the wide-ranging debate being carried on in almost exclusively ideological terms--an attempt which, as was to be expected, has been only partly successful.

At this point, nevertheless, it has seemed to us to be of interest to extend the debate to the PLI [Italian Liberal Party] as well, not because it is

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leftist (although its secretary Zanone spoke, at the April 1976 party congress, of a "positioning of the PLI between the DC [Christian Democratic Party] and the PCI"), but mainly because it has recently shown growing interest in the PSI, with which it seems to agree at times.

This interest was confirmed by the substantially positive evaluation accorded by Mr Altissimo, deputy secretary and economic head of the Liberal Party, to our newspaper's interview with Fabrizio Cicchitto. "In Cicchitto's words," said Altissimo, without, however, pretending that they were totally devoid of obscurities, "there is, nevertheless something new which, because it is European, tends toward the liberal."

To clarify some aspects of the present position of the liberals with respect to the socialists, and of the PLI's views with regard to the current problems of our economic system, we addressed some questions to Valerio Zanone, secretary of the party.

[Question] Mr Zanone, referring to the clarifications imparted recently by the socialists in regard to the economic aspects of their ideological switch, would you explain to us what it is that unites the "liberal" of the PLI with the "liberal" of the PSI, of which Altissimo has also spoken?

[Answer] The answer is very simple. Liberals and socialists can understand each other without perplexities. The congress of international liberals has just concluded in Zurich. This year it discussed as its central theme the role of a free market economy in liberal democracy. The final resolution of the congress stresses the role of a free market economy in respect to economic efficiency, political freedom, equality of opportunity, social justice and international solidarity. The sociality of the marketplace distinguishes liberal economic policy as much from the capitalism of the "indispensable" as from socialism. However, Altissimo has rightly observed that some elements of conformity with a European logic are to be found navigating the river of Cicchitto's interview.

[Question] To be exact: Which elements?

[Answer] There is the recognition of the complexity of the social system, which requires a pluralistic political framework and a policy of detente among the dynamic forces of production. There is the two-fold rejection of state capitalism, such as that of the "nonsocialist" Eastern regimes, and of state welfare and patronage developed during 30 years of christian democratic government. The mistakes of the left-center must have taught something. The socialists at that time took as their first battle flag the nationalization of the electrical industry. The idea of inaugurating the period of resources with the formation of a new public entity was for the christian democrats a wedding invitation. Now, Cicchitto's recall to the reality of the present structure of the marketplace in Italy appears provocative, after 15 years of welfare and patronage politics. Napoleoni also recognizes that the reality to be evaluated and confronted today in our country is not a capitalistic society in full, or even adequate, possession of its operative means, but rather an atypical form of corrupt capitalism.

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Cicchitto is thus induced to seek entrepreneurs responding to certain characteristics as allies of the working class in a policy of reform. But in describing these characteristics he actually portrays the normal conduct of an autonomous entrepreneur in a market system not weighted down by improper burdens. The socialists exhort the supporters of laissez-faire to not "angelicize the marketplace." I agree. However, laymen (socialist and liberal) should not consider the marketplace as a reincarnation of the devil.

[Question] The PLI has always set itself up as the last bulwark in the defense of the marketplace, not to say of capitalism, against the attacks of Marxist doctrine on private property and on freedom of initiative. Now, today the socialists criticize Lenin, but do not deny Marx, and, unlike the communists, speak of expropriating some enterprises, accentuating certain dirigistic aspects of control of the marketplace. How are you able to reconcile your past with this present?

[Answer] It is not quite clear what enterprises the socialists would expropriate. The guidelines given by Cicchitto could, at their limits, be applied to all the large enterprises, which, after all, are to a great extent public or publicly controlled through the government. There is in the interview a reminder of the need for antitrust legislation. All they need do is dig out of the files of the chambers the proposals made in this regard by the liberals in the 1960's. Nor is it clear how expropriation of the large enterprises would of itself reduce their hegemonic positions in the productive sectors in which they operate.

From the liberal viewpoint, rather than expropriate and nationalize, it would be more effective to provide a boost to technological progress so as to better articulate the organizational tidying-up process of the enterprises and to develop an industrial relations policy that promotes democratic participation procedures within establishments.

[Question] Mr Zanone, am I mistaken, or has the PLI always been opposed to economic control planning, which the PSI, instead, seems to see as a "revitalizer" of the marketplace?

[Answer] The economy of the marketplace must be regulated by suitable public actions, not by a total absence of intervention. The price of total economic planning is the loss of freedom, without even so much as the benefit of any greater effectiveness in the solution of the problems.

The Liberal Party is for planning that coordinates any public interventions and creates for autonomous entities and private operators a climate of security and equality of opportunity.

However, even in regard to planning, many utopias of social engineering show the facial wrinkles of Allina, the magician. Liberal cultural policy aims today not toward collectivity planning for the society of coming years, but

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at a method of articulated, flexible solutions which can be tested against factual data. This is perhaps the great difference. The left builds projects for the future, while liberals seek the most suitable method for guaranteeing that today, and "in future," each operator and each citizen will be freer to pursue his own planning.

[Question] Self-management: This is one of the points on which you have stated you are not in agreement with the PSI. Why?

[Answer] After studying the theses of the French socialists on self-management, Aron commented: "It is a beautiful concept. It is too bad that one doesn't know what self-management actually consists of." For that matter, even Cicchitto speaks of it as "a hypothesis yet to be formulated and tested," and falls back on a definition of the working class as a "general class," which from my point of view is entirely nebulous, or is contradictory to the concept of a pluralistic and conflictual democracy.

However, I do not wish to understate in the least the theoretical and political scope of the problem. To this topic of democratic participation and apportionment of decisionmaking powers, both in the body politic and in business enterprise, I have dedicated a modest number of past hours of study, a trace of which is reflected in the definition of the word [for] "joint management" which I wrote some years ago for the Bobbio and Matteucci "Dictionary of Politics." Industrial democracy is an element of social democracy which the Western mixed economies cannot elude. The liberal camp is also able to build on a base of concrete experience. It has before it now, in fact, a documented study, precisely on this topic, by the Swiss radicals, who are part of the international liberal movement. But there is still a long road to travel to arrive at practical proposals for intervention. Possibly, liberals and socialists can find a way to travel this road together. But we are different. Marriages are not made between close blood relatives.

Ugo La Malfa, PRI

Milan IL SOLE-24 ORE in Italian 6 Oct 78 pp 1, 2

[Report on interview with Ugo La Malfa, leader of the PRI, by Claudio Alo: "The 'Third Way' According to La Malfa--Correct, Not Condemn, a System Still Valid On the Whole"]

[Text] Rome--When, at the beginning of September, at the height of the ideological polemic triggered by Bettino Craxi's midsummer essay, we decided to interview some leftist party representatives on the practical aspects of this dispute being carried on in terms of quotations and interpretations of venerable ancestors, the idea had also been gleaned from an article by Ugo La Malfa. Ideological clarifications--said the leader of the PRI [Italian Republican Party] more or less, introducing himself into the debate which at that time was becoming more heated between the communists and socialists--are important, "but the practical conclusions one expects to draw from these

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clarifications are even more important. It is of little value to declare oneself ideologically Western, if when it comes right down to programming practical action, one places himself outside the Western orbit, without even a minimal basic understanding of the problems." We look to the parties and the unions--La Malfa continued, in effect--for this decisive choice: "determine the policy that will combat the crisis and put us back into Europe, or persist in a policy which alienates us more and more from Europe. In the first alternative, the debate will have yielded a fruitful harvest. In the other, it will have served to nurture any interest but that of the recovery of the Italian social structure." Convinced, as we also were, of the importance of this challenge, we asked socialists, communists and social democrats for clarifications on the way in which they intend to go from ideologies to realities, from scholarly quotations to a precise and concrete indication of the practical schemes by which their respective party lines would modify the structure of an economic system which they consider to be more or less in a state of crisis--a verification, in sum, of the actual feasibility of a "third way."

After hearing Fabrizio Cicchitto for the PSI [Italian Socialist Party], Pietro Longo for the PSDI [Italian Social Democratic Party], and Luciano Barca for the PCI [Italian Communist Party], it seemed to us to be of interest at this point to review with Ugo La Malfa himself the results of this effort to bring down this debate from its exalted heights of grand systems.

[Question] Mr La Malfa, do you feel that, after more than a month and a half of polemics, explanations and dotting of i's, the left as a whole, or any one party within the left, has come up with an alternate economic system to the present one, of a capitalistic type?

[Answer] My impression is that the ideological debate, instead of contributing to the clarification of positions, has only rendered them more vague and confused. The only point reached seems to be that of an ideological rejection by the socialists of all tendencies, of Leninism, and a reaffirmation by the Communist Party of its consideration of Leninism as a constituent element in its political and cultural history.

In other words, totaling up the results, the confused ideological polemic of the last several weeks as a whole reveals only that the Communist Party, insofar as concerns Italy, rejects the Soviet model as well as the European social democratic model, and, proclaiming the outmoding of capitalism, whose crisis at this time it considers insurmountable, intends to lay down a third way, concerning which, however, it provides no indication whatever. The Socialist Party, or at least its major faction, also proclaims capitalism outmoded, and rejects the Soviet model, but does not accept the social democratic model, which has been brought into being in the northern countries, but which has not actually meant the outmoding of capitalism. It assumes as a model, for the outmoding of capitalism, the self-management doctrine formulated by French socialism in the footsteps of the experiment

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carried out, with unfortunate results, in Yugoslavia. Thus, we have a march by the Communist Party toward an undefined third way and a parallel march by the Socialist Party toward a third way founded on self-management.

[Question] A march along two trails which in reality end up nowhere?

[Answer] In my opinion, the proclamation by both parties, of the objective of outmoding capitalism, and the criticism they level at the northern social democracies, of having remained in the orbit of the so-called capitalistic system, are nothing more nor less than a true utopian abstraction driving from the fact that our leftists have not carried out a critical and cultural analysis such as would enable them to understand the real problems of the society in which they operate. The northern social democracies have operated in a more advanced industrial society than ours, and have understood the economic and social advantages that can be derived from a dynamic capitalism. Our leftists, instead, are imbued with an extremely aged Leninist or Marxist ideological patrimony, unsuited to the real conditions of the Italian society, and was unable to understand (as was, for that matter, the DC [Christian Democratic Party] itself), the transformation that Italy was undergoing, around the 1960s, from a predominantly agricultural society to a modern industrial one.

Instead of working together with the dynamic thrust of such a society, in the manner of the large northern social democracies, our leftists destroyed it, and weakened and deteriorated its structure to the point of today's grave crisis. The crisis of the capitalist system is not an objective crisis, as the leftists want to have us believe. It is the product of political action that is being decreed by an antiquated ideology which is inapplicable to modern industrial societies. The paradox lies in the fact that they proclaim a crisis in a system which, through their own errors of incomprehension of the realities, has been almost irresponsibly led into that crisis.

[Question] Is it your view, in sum, that there is no third way?

[Answer] The third way, in my opinion, lies in correcting ideological and political positions, not in declaring a system outmoded which can, through a suitable policy be restored to full vigor. If, in order to outmode capitalism, we were to perpetuate the same old errors of political and union conduct, we would not go from an outmoded capitalism to a better society, but from an outmoded capitalism to a South American type society.

From this viewpoint, the Republican Party, and certain elements in the PSDI, lean more toward the thinking of the northern social democracies than do the PSI and, of course, the PCI. It is not formal designations that characterize affinities between political forces, but rather the nature of their respective political and cultural concepts and the substantiveness of their actions. Thus, the more a party rejects the experiences of the European and northern social democracies, the more it retards economic and cultural progress in our own country, relegating it to the fringe of the more advanced industrial societies.

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[Question] Mr La Malfa, the various leftist party lines provide a more or less detailed and more or less concrete conception of what the "marketplace" means to each of them, and of the part that could be reserved in that marketplace for private enterprise. In your view, is there a minimal common denominator among these conceptions that could, hopefully, contribute to the solution of our country's economic and social problems?

[Answer] No. I cannot seem to find in the positions expressed by the various party representatives a clear, coherent view of the policy that should be pursued in the coming years. When we were at the height of our "economic miracle," that is, during the 1960s, we knew that this "miracle," based as it was on an entirely spontaneous development, could not fully resolve the problems which are still being so widely discussed today. Realizing that their resolution required a substantially greater volume of investment and a well-defined channeling of that investment, we at that time proposed a programming of objectives to be achieved, and a national policy for the channeling of returns on those investments toward the achievement of those objectives. We proposed, that is, a timely policy for controlling the distribution of revenues that would not open the way to an increasingly corporatist competition for acquisition of an ever greater share of national revenues, and that would not reward the expansion of individual consumption over public consumption. The marketplace--that is to say, the system of public and private enterprise as a whole--would have adapted to these parameters. If the policy guidelines had been clear and definitive, it would not have been difficult for enterprises to invest beyond traditional areas, which would have avoided what has happened in cities like Milan and Turin.

Automobile manufacturers could have built more buses than private vehicles. Construction firms could have built more schools or hospitals than villas or seaside and mountainside estates. The leftists and the labor unions, fighting against a revenue policy, destroyed the very basis of a programming policy, to which they have continued, however, to give empty lip service. The DC remained indifferent to the issues raised by the republicans, and today we are paying for this hostility or indifference.

[Question] In regard to programming: The PSI speaks of it as an element which, "paradoxically," can restore to the marketplace its "function as an effective social and economic barometer," "if it is accompanied by a set of policies designed to create conditions of equality among economic elements, and if it is supported by antitrust legislation."

The communists speak of it, instead, as a "revitalizer of the marketplace," especially if programming is applied not only to supply but also to demand. What is your position on this issue?

[Answer] As I pointed out, at the beginning of the 1960s we formally proposed a program based on a revenue policy. And since a revenue policy cannot be carried out without the concurrence of labor, I, as finance

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minister in 1962, formed a Programming Commission in which representatives of private enterprise and of the three labor unions were invited to take part. The working class did not participate hegemonically in that commission, but it did participate on an equal basis with the other social components. The purpose of that commission was to work out the guidelines of an economic policy and of a revenue policy, which could then be submitted to parliament.

That commission was put to death. In the years since, the confrontations between the forces of the state, of enterprise and of labor have taken place everywhere, including the streets, accompanied by continual strikes, except in an appropriate institutionalized forum. In the extreme seriousness of today's problems--unemployment, recession, absence of services in vast sectors--one sees the result of a demagogic, populist policy. If we wish to resolve these grave problems, we must take a new road--of austerity and rigor--and not continue traveling the same old road of rhetoric, strikes and so-called social undertakings which, in reality, conceal a mean and miserly spirit, with nothing whatever to contribute to austerity.

[Question] The socialists would expropriate the large enterprises which seek to transform economic hegemony into political hegemony. The communists say "no" to any further expropriations and would concentrate solely on making the existing public enterprises more efficient. The social democrats would even expropriate some public enterprises. What would Ugo La Malfa expropriate?

[Answer] I view the socialist idea that there should be further expropriations as highly bizarre. The public enterprises are in such a disastrous state of disarray that we should bitterly regret having made them public. However, bad management of the economy has placed many private enterprises in serious economic and financial straits as well. The issue, as I see it, is not one of public versus private enterprise. The issue, in my view, is that of good management of enterprise, which in turn depends on good management of the economy as a whole. IRI [Industrial Reconstruction Institute] was a great institution which, until some 15 years ago, had functioned in an excellent manner. I remember the years when the English and the Swedes came to study its structure and operation. And IRI is still a great institution. But after so many years of mismanagement of such an institution by the political forces, no Englishman or Swede would want to study it. The same can be said of ENI [National Hydrocarbons Agency], IMI [Italian Credit Institute], ICIPU and so on. The policies of the three great parties (DC, PSI, PCI) and of the labor unions has caused the degeneration of institutions which were models of technical and administrative operations. A kind of metastasis has struck the Italian public and private structures, which we must try to cure while there is still time.

[Question] Yes, Mr La Malfa, but the question was, "What would you expropriate?"

[Answer] I think I would expropriate the political class.

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[Question] Sir, the socialist "new deal" is liked by the liberals and by a considerable sector of the christian democrats. It was also liked, in the beginning at least, by the social democrats. Do you like this "new deal"?

[Answer] We like parties and persons who understand the subject we have had this opportunity to discuss. For instance, we like Lama when he said that it had been a mistake to deal with wages as an independent variable. We did not like socialist Benvenuto and Catholic Carniti when they criticized this assertion by Lama. We like the communists when they don't want any further nationalizations. We don't like Cicchitto when he thinks there can be more nationalizations in Italy.

It is on the basis of substantiveness of economic, financial and social policy that alignments can be formulated at this time. An important test, in this respect, will be the Pandolfi plan. We have welcomed its rigor and coherence as a new realism in Italian politics. We shall align ourselves with the forces that support its integrity and its rigorous application. We shall oppose the forces that will try to water it down or emasculate it. The substance of political action interests us, rather its forms, and we will accept party lines as instruments for achieving planned substance.

In our view, if austere objectives cannot be achieved under the present formula of national solidarity, they will be difficult if not impossible to achieve under any alternative formula, and what concerns us is the question: What future does Italy have in the event this extreme effort toward national solidarity fails to achieve its objectives and the three great parties continue the policies that have so profoundly disrupted Italian life.

Piero Bassetti, DC

Milan IL SOLE-24 ORE in Italian 8 Oct 78 pp 1, 2

[Report on interview with Piero Bassetti, parliamentary deputy and first assistant to the DC Economic Section head, by Ernesto Auci: "The Italian Way in Progress--'Work Within a Political Synthesis Devoid of Ideological Schematism,' Says Piero Bassetti"]

[Text] Milan--Throughout the ideological polemic that exploded last summer among the leftist parties, the DC [Christian Democratic Party] has remained a mute spectator. True, the DC is not qualified to speak for Marxism or Leninism. However, as the governing party, the DC could very well have said something while the leftist forces and lay parties sought, confusedly, to determine the practical aspects of the society we must build.

Must we maintain the present capitalistic system, possibly reforming it? Or, must we take giant steps along a road leading to the creation of a socialistic society? And if so, which road: that of the Western social democracies, or

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the Soviet one? Or should we try (as the communists assert) a third way that is neither reformist nor collective? And then what, practically speaking, are the short- and intermediate-term knots to be untied to get the transformation of our economic and social system underway in the desired direction?

To all these questions, the DC as a party has not given a global answer. At times, its representatives have tried to smooth the rough edges of the heated debate by pointing out the dangers to which it was subjecting the government's efforts. On the whole, the DC has constantly maintained the position of a political mediating force, thus implicitly reasserting its self-assumed fundamental role at the center of the Italian political system.

A DC that does not elaborate grand strategic plans, but rather confronts concrete problems pragmatically, endeavoring to manipulate political syntheses capable of resolving the real problems and restore operation of the machinery of accrual and economic development: this is the central idea which Piero Bassetti, parliamentary deputy and first assistant to the head of the DC Economic Section, has expressed in a book-length interview which will shortly arrive on the shelves, entitled "The Uncomfortable West, the DC After Moro, and the Italian Crisis," and which Bassetti summarized for us during a long conversation. Bassetti, a little over 2 months ago, resumed the office of president and chief executive officer of the family's principal enterprise, Bassetti, Inc., without, however, reducing his political activities in parliament and in the party.

[Question] Mr Bassetti, why have you returned to the firm?

[Answer] I must make it clear that I have not disengaged from politics. My major business obligation stems, on the one hand, from the special requirements of the firm, which must embark on a delicate phase of reorganization and recovery, especially in the international field, and, on the other, from the present political juncture, which demands a greater dedication by the manager class to the practical problems of management. For that matter, I have never thought of politics in an abstract sense. I don't believe there should be a division of responsibilities among industrialists, management and professional politicians. And I have always engaged in politics with the idea of putting certain concepts into practice. In short, I have not confined my efforts to the fight for regionalism; I have actually become involved in the setting up of the regions. It is not a matter, therefore, of my abandoning politics, nor of a disillusionment with politics, and there is no contradiction between a major business undertaking and the more general responsibilities which the manager class is called upon to assume.

[Question] However, in the face of the blossoming of strategic programs, and above all, in view of the debate as regards optimum systems, which can nevertheless serve a useful purpose in helping clarify the ultimate objectives of day-to-day political activity, the DC has maintained an absolute silence. Don't you think the DC should become more involved in this area?

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[Answer] I don't believe the DC should propose a developmental model of its own. What, then, should we do? Should we issue an ideological document and risk accentuating the existing divisive elements? Or should we draw up a program of readjustment and development? But for this there is the government, which is moving with great expertise. The Italian problem today, in general terms, is clearly that of effecting a change in the dominant social bloc. The bourgeoisie can no longer hold its own, the proletariat is not yet ready to replace it, and the middle class is a reality that no one seems able to pull together. For this reason, the real problem is to succeed in effectuating political syntheses of the demands of a composite but fragmented society, in such a manner as to guarantee the stability of the system. The policy synthesis accomplished in parliament, which has given life to the present emergency majority, is therefore destined to last a long time yet, because it has the objective of assuring the equilibrium of forces necessary to restore to operation the accrual process. Certainly, a parliamentary coalition is not the same as the birth of a new social bloc. But this bloc will not spring up soon, and the political class will have to continue, for a long time yet, implementing new syntheses without disrupting the general framework, that is, without forcing the attempt to give birth to a new social bloc that doesn't exist in the country's makeup.

[Question] These are reasons, as I understand it, for the DC not wanting to advance a social plan of its own. But, and even if we add the desire not to exacerbate the ideological encounter, the DC can hardly withdraw from the search for innovative solutions of many civil social issues, beginning with the economic one.

[Answer] There can be no doubt that a program of research must be undertaken on various issues: programming, which must be applied to demand as well, and not solely to supply as is being done today with regional plans that are taking on more and more the aspect of ideological monuments than of practical instruments for management; those services whose efficiencies can be improved only through joint management (and joint management seems very well suited to the organization of service enterprises, although it seems hardly applicable to the majority of manufacturing enterprises). Once again, in short, this is not the time for lofty programs. The real challenge, to which the manager class must respond concretely, is that of the management of our resources.

[Question] On the issue of enterprise, in the arena of which the recovery of the accrual process must be concentrated, the DC can hardly avoid expressing clear ideas and, above all, it cannot avoid the past mistakes that have made of the governing party the grand patron of parasitic and subsidized industry.

[Answer] Let us be clear. We must have fixed points around which to search for viable political solutions. These basic objectives are, in my opinion, three: supranationality, in the sense that a choice of the European option must be irreversible; regionalism, to break up any attempts at bureaucratic

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management by the center; and making room for the other institutions of a civil society. In the face of these objectives, the DC must be an open party, providing, not prefabricated solutions for all problems, but rather a capacity for mediation and synthesis in the handling of them all.

[Question] Specifically, however, enterprises need movement in order to be assured of free spaces for maneuvering?

[Answer] The renewed attention being given to enterprise is a positive fact. But what are the characteristics of our industrial system? In Italy we have a mixture of special systems. In the first place, we cannot overlook the fact that we are but a province in the great Western empire, and that we must therefore accept the logic of multinationals, favoring those that are based in Italy--a logic that is based on economies of scale and utilization of research. In the second place, there is a system of medium enterprises which operate on the marketplace on a competitive footing and for which the logic of comparative prices is more important than technology. These are the truly capitalistic enterprises for which the maintenance of competitiveness in the international markets is the predominant factor in their success. We can include in this sector also the majority of enterprises with state participation, whose management philosophy needs to be profoundly altered. True, there has been a degeneration into patronage, but the basic error to be corrected lies in that the PS's [State Participations] have been called upon to play a domestic role in sectors where enterprises must remain strictly and solely international in scope. What would the political class say if the PS's, instead of investing in the South, started investing internationally? Is it not true that ENI is the only public group that still operates because it has, if not a multinational, certainly a supranational structure?

Finally, there are national enterprises, especially small ones, which operate in entirely special domestic conditions, such as Prato, Carpi, Castelfidardo, etc.

The political class must therefore guarantee the existence of this mixture of various modes of production. And the formula cannot be solely that of the liberals, that of the socialists, or that based on self-management. All three of these instruments must be used pragmatically.

[Question] Is there, therefore, a third way, and is it the one Italy has been traversing these several months?

[Answer] I think that is exactly right. We are in a less homogeneous country than other Western ones, and to manage it we must find new and innovative solutions, without ideological schisms.

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