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West Europe Report

(FOUO 29/80)



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WEST EUROPE REPORT

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THEATER NUCLEAR FORCES

FRANCE

DETAILS ON 1980 NAVAL TRAINING EXERCISE PROVIDED

Paris ARMEES D'AUJOURD'HUI in French May 80 pp 14-15

[Article by Rene Pierre]

[Text] Units from the Atlantic squadron, under the command of rear-admiral Gagliardi, participated in a series of training maneuvers--called "Gemeaux"--from 12 February to 6 March 1980.

For this occasion, the Atlantic squadron sailed into the Mediterranean to join the Mediterranean squadron for a few days, under the command of vice-admiral Castelbajac aboard the "Colbert" cruiser.

Each element of the Atlantic squadron has had very good naval training and averages 110 days at sea per year.

But most of the activities are devoted to indispensable public service tasks and support missions for strategic submarine forces.

This does not prepare ships for all aspects of sea surface combat. Conditioning and preparation of surface ships for peace time and war time missions is the responsibility of squadron commanding admirals, who thus play a fundamental role with regard to training maneuvers.

Training Organization

The large deep sea combat units are divided into two squadrons, the Atlantic and the Mediterranean. Each squadron commanding admiral is assisted by one staff based at the home port to prepare and condition the ships and one at sea to direct training and, if necessary, operations.

The Atlantic squadron includes 15 ships: 13 escort vessels, one refueling tanker, the "Durance," and one transport freighter, the "Orage." A helicopter carrier the "Jeanne d'Arc," and an escort vessel, the "Forbin," belong to the applied teaching group for naval officers.

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Combat training is organized by using any favorable occasion to gather a significant number of ships and maintain them at sea in formation for a relatively long period of time.

The number of participants and the length of training depend on two things. First, on the number of ships available (ships are periodically grounded for planned maintenance) and, second, on the number of ships which have to remain at the home port to fulfill real missions during the period in question.

Generally a training session on the Atlantic lasts between three to six weeks and involves only four or five ships, to which are added all available ships stationed in Brest and not involved in actual missions, when leaving and entering the Gasconne Gulf.

It is under these circumstances that the training session "Gemeaux" took place, from 12 February to 6 March. The maneuvers met with a series of very favorable factors which should be remembered:

Good meteorological conditions permitted completion of a very intense training program. The search for favorable training conditions and concerns for better productivity created a need for maneuvers remote from the Gasconne Gulf. By moving far from the home port, ships develop a self-maintenance capacity, which is an important element for their autonomy.

The constant presence of the tanker "Durance" insured the supply of fuel and food at sea. The two three day stop-overs were only for the crew to relax and not for any logistical reasons.

Exceptionally, both squadrons were able to organize their training sessions simultaneously, and benefited from the following:

The presence of the aircraft-carrier "Foch" and its air force group (also in training) benefited the Atlantic squadron which does not have an aircraft carrier;

Refueling practice with the "Durance" a modern tanker not used by Mediterranean units;

The large number of ships, allowing larger-scale maneuvers;

The presence of newly operational Lynx WG 13 helicopters fitted only on A.S.M. and P.H. Atlantic escort vessels;

The sophisticated tactical confrontations by both staff squadrons. The following vessels participated in the "Gemeaux" training maneuvers: The command vessel of rear admiral Gagliardi, until 17 February; the "Duperre" escort squadron; later the "Guguay Trouin," the escort squadron "Maille

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Breze," the sloop "Aconit," the rapid escort "Le Normand," the refueling tanker "Durance." These vessels formed the permanent body. The escort squadron "Kesaint" and two Avisos A 69s from the Atlantic force joined them in the Gascogne Gulf.

The Mediterranean squadron included:

The cruiser "Colbert," command vessel of vice-admiral de Castelbajac, commander for the Mediterranean squadron; the aircraft-carrier "Foch" (including 10 Alizes, 10 Crusaders, and 15 Etendards), the escort vessel "Duquesne," the rapid escorts the "Vendeen," and the "Alsacien," two logistical ships, the "Isere" and the "Rhin."

Aspects of Sea Training

Navy men distinguish very clearly between group training and individual training.

Individual training is designed to teach safe sailing and use equipment (including sonar, radar, transmitters, armaments, artillery missiles, torpedoes and helicopters) and to withstand possible disaster. Of course, propulsion, energy production and administration are the keys to success of the operations.

Despite the fact that individual training represents only the first part of combat training, it is not easy. It tends to harmonize and synchronize the various functional bodies of the crew, who must interrelate (deck, central operations, weapon systems, energy-propulsion, security, planes) and the 40% to 50% of the crew which is renewed every year. Every year about 60 young men come aboard without any sea experience. They must be taught about life at sea before they can be initiated to their tasks.

Individual training is an indispensable formality.

Group training develops cooperation with other surface ships, planes, submarines, ground bases, P.C. O.P.S. and this with the objective of controlling an air-sea area as large as possible and of countering any danger: surface, submarine, aerial and electronic. The Navy's ability to locate and identify the enemy at any time, and to strike at him from as far as possible, depends on this cooperation.

Surface ships have two features different from submarines and planes:

They rarely operate alone.

Their scope of action encompasses the area above and below the sea, because they operate at the sea/air dioptr level.

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Ships are surrounded by many "echoes" through their radar and sonar screens. It is essential to distinguish quickly and accurately between the good, and bad and the indifferent."

Tactical information and the speed of its processing and promulgation are so important that highly performing automatic systems have to be used to analyze information, operate weapons and implement electronic counter-measures.

Because some ships do not last long enough to be equipped with modern devices, it was necessary to design and implement appropriate cooperation between old and modern ships. These complicated cooperation schemes (ship-to-ship, ship-to-helicopter, etc.) require highly knowledgeable and fast personnel with know-how.

Any deck watch or central operations officer must know how to use all the equipment, whether related to his field or not, whether on his home ship or not.

This know-how can be acquired only through group training. Synthetic ground installations provide only an initiation.

Training is necessary to develop the navy's commanding staff experience in improving the use of tactical equipment.

To simulate credible dangers and provide ships with many operating situations, it is necessary to gather many submarines, and planes and to provide tele-guided or pulled targets, training torpedo pick-up.

Thus, during training sessions, such as "Gemeaux" the Navy, the Air Force (supplying attack planes: "Fatma" Aerial tactical sea force), and various testing centers (allowing real firing on rapid aerial targets) cooperate.

Allied naval forces are also invited to join in for a few hours to play the part of suppliers or enemy forces.

During "Gemeaux" three Spanish escort vessels, two Portuguese escort vessels and one submarine, and one English antisubmarine vessel joined in the maneuvers at one time or another.

All ships are simultaneously confronted with emergency situations. The difficulty is in scheduling maneuvers at a time convenient for everybody. It is easy to realize how complicated it was to plan for maneuvers as elaborate as "Gemeaux."

The time devoted to tactical training is smaller than it was 15 years ago. However, it still represents 20% of mission time, compared with 20% for support to "Fost," and 10% to public service.

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The remaining time is distributed between testing, various maneuvers and oversea missions.

It was possible to maintain this training at the minimum level through an increase in the number of days at sea. However, it is the only activity subject to reduction and fuel cuts could jeopardize the program. Group training is necessary. It permits the creation of complex situations to match the existing means at work, and enables testing of staff and crew capability.

Navy men are aware of efforts made by the government and the nation to stage maneuvers.

Their pride is to be able to get the most out of such investments under any circumstances, during peace time or in times of conflict.

Biography

Escort vessel captain Rene Pierre graduated in 1954 from the Ecole Navale. He is a graduate of the Staff College in detection, and a graduate of the Ecole Superieure de Guerre Navale. He has been the commanding officer of the escort squadron "Maille Breze" for one year. Previously he was under chief of staff for operations to the admiral heading the Atlantic squadron.

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COUNTRY SECTION

FRANCE

PSYCHOLOGICAL, POLITICAL PROFILES OF SOCIALIST PARTY LEADERS

Characters of Leaders

Paris L'EXPRESS in French 3 May 80 pp 174-193

[Article by Andre Salomon]

[Text] The PS [Socialist Party] has just held its national convention. The main subject under discussion: the seriousness of the international situation and the nomination of the candidates at the presidential elections. Ideas regarding some personages have become crystallized. No one so far has described them so precisely as Dr Andre Salomon, associate in conjunction with the PS leadership from 1971 to 1978, member of the board of directors, he was in a position to form an opinion on the character of the top leaders. He saw at very close range just how leadership operates, how it makes its decisions, how the various currents of opinion influenced the party's inner mode of life. Called "PS la mise a nu," [The Socialist Party Brought Out Into the Open], it is a merciless work which he had published by Robert Laffont. It gives us the character sketches of Francois Mitterrand, Pierre Mauroy and Michel Rocard.

He is short in stature. His expression, whether stern or kindly, commands attention. In profile, he is Bonaparte grown old, but nothing is striking...save his carnassial teeth! Like every human being, he has changed and will continue to change. Mitterrand at 70 is not at all the same as at 80.

The first secretary of the Epinau Party is already long experienced in the political life; he has taken many a blow, he has given proof of outstanding qualities, counterbalanced by equally outstanding weaknesses.

On the bright side: Unquestionable courage. He was an intrepid contestant, I have witnessed it. He is capable of rising above seclusion, he is tenacious, reticent; endowed with a rare sense of timing, he knows how to make

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the best possible use of a situation. His natural fierceness can be tinged with gentleness (rarely), his intelligence and memory are on the highest plane. His education, basically literary, his style are more than adequate, and strongly contrast with the mediocrity which one so often encounters in political circles.

With the advent of Gaulism, he learned to create the image of haughty, intransigent disdain, of an unyielding fixed point of reference, unobliging with respect to the Right.

Physically he has a certain charm. A voice which he uses wonderfully well; by turns friendly, confidential, it can reach a peak of warm enthusiasm. As an orator, he is perhaps a little too classical, but effective when he is in close contact with an audience whether it is small or whether he is speaking to a big crowd. Stories abound, he is carried away by his audience's enthusiasm and their laughter. They were expecting an awe-inspiring panorama of life; but too often he gets lost in irony and the peroration leaves them dissatisfied.

His smile, infrequent perhaps, is according to the occasion, scornful, understanding, friendly, ironic, exceptionally joyous. He is often solemn, almost stately. He knows how to get away for some moments of privacy; to relax by taking long walks, by communing with nature, to build up his strength. Indefatigable when circumstances demand it, scouting the highways, he has a self-confidence that overcompensates a certain diffidence.

On the dark side: in the foreground, in this distraught and doubting Christian, we find a pessimism concerning the human race which he expresses by a complete lack of dedication to another's cause, an abiding distrust with nothing allays, a cruelty which he tries, often unsuccessfully, to hold in check. I remember the uneasiness that prevailed at a certain board of directors' meeting, when, like a tiger attacking its prey, the quite new first secretary lashed into Andre Boulloche, Alain Aavary, or Claude Fuzier and others, and Andre Piette who had the unfortunate idea to oppose him. He gloated over spite, revenge, retaliation with a little too blatant pleasure. It is quite correct to say that it was Guy Mollet and his friends who planned the FGDS [Federation of the Democratic and Socialist Left]*. Mitterrand settled accounts with them; Ceres also with Savary. It was perhaps quite fair. At any rate, it was a distressing spectacle. It foreshadowed Metz and the after-Metz, when some of the leading spirits will be different, the battle will surrender to the opposing front.

Men are composed of only shadow and light. Mitterrand's gray area, which dates from 1970, was to continue until 1978: a first-rate analysis of political strategy, the choice of union with the PC [Communist Party], to promote PS progress and lend credibility to the left in its entirety. Man's unconcern, perhaps even his inherent inability, in compensation, to define an ideological theory and to fight for any other than tactical

*The FGDS was founded after the 1965 presidential election.

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convergence among the currents of thought which are going to stir up the PS throughout the decade. We shall find him at one time showing a preference for what is connected with tradition and the revival of democratic socialism and at another time stressing the Marxist-version paradigm. Doctrine is meant to be of service to him, not the contrary. In this respect, he and some of his conventional friends are poles apart regarding the militant practices of the socialist left.

The 1971 Mitterrand had never acted militantly in an important party; he was trained in the Fourth Republic political life; the UDSR [expansion unknown], then the Convention of Republican Institutions, which served in turn as his launching pad; the first only as a connecting link to establish him as a likely choice as minister; to afford him the opportunity to develop a reasonable architectural perspective in order that, following the 1965 elections, he might establish a harmonious arrangement between the SFIO [French Section of the Workers International] and the radicals and that his own preeminence be established within the Federation of the Left.

But he also realized the instability of this kind of artificial balance and the need to set up more stable structures in which his own unusual ability could show what he was capable of accomplishing. This explains the tenacity he demonstrated to enter the "old house" in a dominant position and with an appropriate setting: the breakup at Issy-les-Molineaux; getting back again to work on the plot that was to end at Epinay.

The 1980 Mitterrand: The sun which had kept him out of the shade between 1973 and 1978 is now low on the skyline; the man seems tall but somewhat rigid. The negative leanings have become quite clear; his natural authority has changed into authoritarianism, his public speech has become unvarying and he is inclined to harp on the same subject. On the PS, bubbling and abounding with life, which he succeeded in bringing together, he imposes strict restraints, he packs the defense, and that is all he does.

His assumed amateurism, which made it possible for him to be unpredictable, was changed into a lamentable rigidity. And, in particular, he made a most unfortunate choice, which is surprising for a man endowed until then with faultless perspicacity.

Contrary to Blum, who was able to extricate himself from certain accidents and give himself enough room so as not to be invested with authority until the national or political situation urgently required his intervention, Mitterrand who, in 1978, no doubt permanently lost government control, fell back indifferently on the party. He turned to some advantage the authoritative power he had exercised but which was beginning to falter, in order to prepare for the Metz congress under extremely intolerable circumstances, and to try to break the pressure which had brought Pierre Mauroy and Michel Rocard to appear at his side as a credible, forceful and distinctive triumvirate. On the contrary, he went so far as to carry his line of argument to extremes, while brushing aside his two faithful

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deputies, burying them so-to-speak to replace them by two young wolves, unknown to the public, but who had sharpened their fangs in his shadow and on the ambition of those he believed could establish his authority.

It is the eternal middle-age love expressed in politics: the youthful spirits restoring to the aging man the illusion of youth.

And just as history at times turns into buffoonery, he is going to seek the shades of Guy Mollet in order, once more, to side with the left: Metz. Immediately, the campaign he was carrying on for the European elections stressed the distorted analogy with the ominous period of Molletism. The party trailed along in an opportunist hodge-podge which bewildered the militants and left the electors cold.

Then, the leadership began to deny reality, to divert the course toward a mythological analysis, to drift into a collective neurosis. But the symptoms already went back to over a year. In May and June 1978, the followers whispered to anyone who would listen to them, that there was an agreement between Rocard and the Elysee to dishearten Mitterrand, at first, with some hints of the influence of the United States and Chancellor Schmidt on the positions which Pierre Mauroy maintained.

Mitterrand himself stated on television that he was being attacked because he was disturbing both Carter and Brezhnev, Giscard and Marchais, and the entire leftist press!

In the 1977 combination of circumstances leading toward the still uncertain results of March 1978, a statement such as this could have had some semblance of credibility. But, after the March defeat, it no longer had the slightest shadow of truth.

That the first secretary should feel harassed at this juncture, that his close friends should spread abroad this same interpretation to explain his refusal to discuss the defeat of the left in 1978, is characteristic of behaviors bordering on paranoia.

The Metz and After-Metz congress prove that the Mitterrand of 1970 had given way to a ringleader beset by the darkness of doubt, of anger and resentment, and who had become brutishly obsessed even at the risk of a PS collapse. Mitterrand and the media constituted a permanent factor: the incapability to dominate those dangerous masters of transmogrify. On the radio, it is still not too bad, although it is only average. But, on television, this orator, who is lyrical in top gear, easily becomes bombastic in style: his look wanders, his smile is troubled, his sincerity seems doubtful; in short, his performance makes one uneasy.

How can one explain the weaknesses in the two decisive encounters against Giscard, in 1974, and Barre, in 1978? By a sagging will? By the behavior of a loser? By insufficient knowledge of the facts? By a poor psychological and technical preparation for a confrontation before the cameras? Undoubtedly, by a combination of most of these parameters.

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Another established fact regarding our hero: be they French, rural, early century, his failure to recognize international political problems and the restraints they put on the hexagonal scene. As subtle, nuanced and satisfactory were the analyses of the French domestic situation--although solely political and at times politic, Mitterrand, on trying his skill at explaining the world situation, resorts to views which are narrow, oversimplified, and at times dismayingly banal and devoid of fact. To write as he did, that the worker class plays a leading part in the Soviet Union, to lead a PS delegation to the USSR and set up means, even fictitious, for concerted action between the CPSU and our party, is to exaggerate out of all proportion the role of an organization without governmental responsibility and consequently to run the risk of losing its credibility or gratuitously giving the seal of approval to a state structure in search of unwarranted status.

Its immediate advantage is doubtful, even should it seek to influence the Communist electorate. On the contrary, it tends to make impossible a French consensus which is indispensable for leftist victory. More than a blunder, it is an offence.

Paradoxically, no doubt, I terminate this not too flattering portrait by stating my firm belief that Mitterrand could have been a great president of the republic if he had been elected in 1974; a little like Louis XIV perhaps, but only a little. His weaknesses would have, no doubt, been changed into strengths, united to qualities of personality, to the lofty idea which he has of the state, to the hunger which urges him to give himself full measure, to the ambition he cherished for his country; he would most likely have revealed some unsuspected dimensions. But fortune had, no doubt, definitely decided otherwise in 1978. Today, we are swept along by the tail of a comet whose brilliance is growing fainter from day to day.

Pierre Mauroy, one of the triumvirs in Directoire style exile. The man's stature makes his presence imposing. His sense of party, his respect for the militants safeguards him from any condescending attitude. His deeply engaging manner, his natural cheerfulness, make one accept his extreme ambition, which is perhaps excessive, if we compare it with his actual personal qualities.

He has the classic bearing of the socialist militant secure in his convictions and eager to participate in the worker struggle. Assurances inspired by militancy, a small number of big ideas give him some support; he well knows how to while away his time in a chatty fellowship with his northern friends; he is less capable of deeply studying a record or of understanding its coded data, and still less of memorizing it. He errs through lack of organization; his continual improvisation wears out his associates. A heavily built but vigorous man, he finds it hard to go beyond regional boundaries to come to grips with problems on a national level. Self-centered, he is unaware of being so, neither does he know what it means to have moods (Is this his strength or his weakness?) A mayor in love with

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the city of Lille, he is less comfortable in Paris, and almost always in a merry mood. To understand him, let us follow him through the streets of ancient Lille, let us see him in front of the town-hall belfry, bursting with pride at being looked up in the "lowlands." There, he is the city mayor representing the working-class power. His loyalty toward the leader, in whom he has full confidence, is almost angelic; this had been true with Mollet until the day when... That was even truer with regard to Francois Mitterrand, perhaps because he was instrumental in sponsoring him in the new Socialist Party and giving him first place, beside Mr Perichon, a man of distinction. He is slow to change direction; his hesitations, his inability to discuss a strategy or any tactics reasonably are often alarming, but when he does tackle something, it is with unmistakable resolution. He finds expression for his greatest talent in congress where he thunders forth enthusiastically declaring his strong militant feeling or browbeating his audience, but, in a brotherly fashion, as Socialists prefer to be understood or browbeaten.

His fixed idea: unity through synthesis. His resources: tolerance and the insatiable longing to contribute to the entire party's collective success. Without him, there would have been no Epinay. After Epinay, a decisive step, the rallying in the party of militants coming from Christian localities was beyond all question an indispensable factor for extending socialist authority, particularly in Alsace, Brittany and in the Rhone-Alps region.

Classified in 1974 as a Rightists Social Democrat, he became the symbol of the PS central line. At the Metz congress, he left it to Mitterrand to use the spurious coinage of the Marxist language to win the party over to the Left. You wonder, is he really aware of that, after the divisions made at the Guy Mollet's SFIO [French Section of the Workers International]!

Preeminently an organization man, right up to the 1979 congress he refused to establish any structure connected with his running, knowing well how to put his own interests after the collective interests of the organization, or believing, a little naively, that this move on this part would be the most advantageous in the end. This explains his low score at Metz, and also his pugnacity since April 1979. His loyalty flouted, the dice loaded, the distorted picture of democratic centralism which the party's petty officers are trying to improvise have fomented his revolt.

A great deal of water has gone under the bridge since Epinay. After the congress, as he did not dare do it himself, he sent me to face the international press reporters in his name. Now, he is careful of his image among the media, he passionately follows his rating at the SOFRE [French Opinion Polling Company] or IHOP [French Public Opinion Institute] exchange, and assiduously visits the reporters.

He understands better than Mitterrand the intricacies and restraints which Europe and the world impose on our country and on those who desire to lead it. Frontier man, he, very naturally, has almost instinctive respect for

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the others: Belgium, Germany, the Netherlands are well known to him. He has a fine team of workers, composed in part of some cronies whom he trained when he was the leader of the Socialist Youth, and some of whom who have become ossified in the machinery; his kindness or his weakness prevents him from getting rid of them.

His national network, based on solidarity and friendship, was built up during the same period. To this he added a by no means inconsiderable source of influence, but which he was reluctant to mobilize in his own favor--the Leo-Lagrange circles which he himself had initiated.

Recently he recruited or rather their joined him some militants who came to the party through the Socialist Assizes and members of the organization but who refuse to accept the Mitterrand-Rocard presidential bipolarity. In a word, men of the caliber of a Savary, Hubert Dubedout, etc.

New blood now began to flow through his running campaign, a fact which somewhat disturbed the conventional man formed by SFIO which Pierre Mauroy in great part continued to be. Will he know how to effect the synthesis of this varied input, beginning from there to establish a collective dynamism capable of amalgamating the scattered groups with which he is faced? If his reply is affirmative, the PS future is assured; if not, there is much to be feared. Once again, Mauroy seems to be the key man of the future. Despite Mitterrand's attempts to edge him out of the running, despite his personal defects which I have highlighted, based on a trait which is perhaps overstressed, on the whole, the man deserves support.

Regarding Michel Rocard, a sentence full of contrasts sums up both qualities and defects: outstanding strength of conviction, strength in adversity, weakness of character, all seasoned with an irritating self-centered conceit and a hypomanic zest, that is to say, a continual need for activity which can reach the point of becoming feverish. Considerable judgment, little common sense. A youthful bearing which bravely faces the years and outstanding intellectual skill, and out-of-the-ordinary energy for work, a political courage which enabled him to ride the stormy waves of 68 without coming to grief, to face leftism at close quarters. He is the only leftist authority to have accomplished this feat. This, no doubt, led him to take short cuts and to lose a great deal of time, but he had the good fortune to understand and to be able to take charge of the new high ambitions with more responsibility and more good fellowship than the youthful generations.

Potential candidate in 1969, during an intense, unruly campaign, he defeated Maurice Couve de Murville to the great amazement of all; stubborn as a mule, eager to prove himself, he, too, has changed in the past 15 years. What a strange political route, prompted all along the way by urgent high aspirations mingled with a pretentious personal ambition.

Socialist student leader at the time of the SFIO, responsible fighter, then PSU [Unified Socialist Party] secretary general, PS national secretary

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some months after the Pau congress, contrary to Mauroy, he cannot bear to be second, despite a certain sense of team work.

His relations with Mendes France were stormy and yet, temperamentally, they shared many points in common, in particular the courage to speak their mind and not to give in too easily, at the risk of compromising their career. Mendes was a loner; Rocard, on the contrary, loves the militant life in a people's party and cannot imagine his political course outside collective structures. The one, such as Mitterrand, embraced socialism late in life, the other, such as Mauroy, is a died-in-the-wool politician, having discovered, at an early age, the socialist response to injustice. Two divergent experiences also explain the incompatibility of temperament and the distrust that separate Mitterrand and Rocard.

This latter economic expert, this high official who has inhaled engine-room odors at close range and understood the complex character of the problems they pose for power, also knows how to listen to and understand both the union's and the workers' ambitions and reactions. He derives his impact on public opinion and his credibility from the completely original leftist synthesis which he is devising from among the ambitions and deep transformations in society and his thorough analysis of economic restraints, and consequently, from the margins of liberty within which a socialist project can operate.

His enemies are trying to give him the image of a conventional technocrat: on the contrary, I would be inclined to say that he is rather the most innovative of the socialist militants I know. All along the way, he has demonstrated inflexibility and the willingness to go just as far as possible. To leave the SFIO, to work unceasingly to keep the PSU alive within the French context where the formation of a political unit on the left out of nothing is to attempt the impossible; to subdue the 68 turbulence after having contributed to the success of the socialist encounters in Grenoble; to learn lessons from the leftist union and take part in the 1974 presidential campaign. Finally, to rejoin the Socialist Party, with flag unfurled, despite his weak standing. He needed determination and valor, more than courage, for each step of the way brought him criticism of the previous one and the questioning of his honesty.

The funds Rocard put aside for the running of the 1978 legislative electoral campaign he accredited to the permanent need for truth which actuates all his political activity. At the same time, though convinced that he is entrusted with an uncommon destiny, he keeps his eye riveted on the capricious public-opinion curve and on his own image which the media reflect. Yet, he is surprisingly blind to the psychological problems which trouble his fellowmen. It makes one wonder, at times, if the same blood common to mankind runs through his veins. His indulgence for the eleventh-hour workers; and yet how many of his friends, who could have gone the whole way with him, he let fall by the wayside and drift away from him because of his inability to foresee or understand perfectly justifiable emotional

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reactions. Yet his relations with others are in the beginning courteous and can even eventually become warm but he hardly takes the time to establish any deep friendly relations. Is he capable of being interested in anything other than politics? And is that the only by-way through which he indulges in any conviviality? In Rocard, there is a bit of the Camisard. Totally contrary to Mitterrand, he gladly relies more on the ardor of youth than on accumulated experience. Like the first secretary, he is inclined to bursts of enthusiasm for some new talent.

It seems to me that a finishing touch is called for to understand Rocard's complex personality and some of the problems he encountered within the party. Many of the militants who came with him from the PSU are Christians who, strangely enough, chose as their spokesman this Protestant, an atheist with a tinge of Marxism. Unfortunately, these Christians, although sincerely leftist, often, in their political life, followed clerical ways of doing things which, in lay circles, were rightly or wrongly attributed to the Jesuits. The "Rocard Campaign" has this millstone tied around its neck and suffers its effects. The ideology elaborated is excellent; it is a mixture successfully composed of various cultural traditions but whose synthesis satisfied the basic need of the socialist left: independence in all its implications. The expression in everyday life is only too often undermined by hypocrisy, of the desire, undoubtedly for the most part unconscious, to take over the whole country very quickly for the glory of God and the true religion and, consequently, for the "just."

Rocard, who rightly is deeply interested in reconciling the left with Catholicism, did not know how or was unable to dispel the "gloomy" atmosphere which surrounded him. Are they just using him? Is he just using them? We have here, at any rate, I believe, a valid question whose keenness did not occur to me in its fullest sense until very recently. Some Masons' support of the campaign proposals could lead one to take an optimistic view of the future, but we have to admit that at least for the time being the Rocard team is taking a firm stand on only one single issue.

Rocard manages his staff much less efficiently than Mitterrand, or even than Mauroy, thereby causing the political problems which an organization, outstanding on the foreign communication level, succeeds in covering up, but which curtails its influence within the party and lays it open to accusations from its foes. Strange indeed is the hatred it causes. I am well aware that Mitterrand and his friends are petrified lest they be made to undergo what they succeeded in doing as Epinay: an OPA [Public Offer to Purchase] on the party. Nevertheless, the deputy from Yvelines at one and the same time plays the part of the commander figure and Cain's eye. And the circle of those close to the first secretary and the latter look upon his foreign impact as high treason.

In the end, to kill the Son who founders the ship where his Father rules! From Mauroy to Rocard, relations, while still highly complicated, are fortunately less neurotic.

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The direct route from Pun, the arduous roads followed by the other, despite what they say about it, have made difficult the reunions which ended in the Assizes of socialism. Since necessity knows no law, since then, a certain complementarity is inclined to develop, but it is perhaps, more subjected to than intentional.

Michel Rocard had considerable difficulty in understanding that he should leave the field relatively open to Mauroy within the party. At the same time, the mayor of Lille finds it difficult to let the mayor of Conflans bask in the first place in public opinion.

Their ideas of the party, their political views relatively converge; their personal destinies lend importance to the nuances that separate them. Mauroy, barring the unforeseen (but in politics, the unforeseen is their daily bread) should turn to his account the responsibility for developing the party, if his fantasies make him dream up something else. He has already done a great deal along this line. Rocard, while dreaming, at times, of one day becoming the party's first secretary, is more likely to show what he is capable of achieving in another post, namely, cares of state. Ambitions thwarted. The future will put each one in his place.

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Socialist Register

Paris L'EXPRESS in French 3 May 80 p 174

[Text] Attali, Jacques. Day dream more than ambition.

Chevenement, Jean-Pierre. Hexagonal nationalist, enemy of Europe and close to Chirac on several points.

Defferre, Gaston. Ready to form an alliance with the devil provided hell stops at the Marseille gates.

Delors, Jacques. One of the best PS minds to study and present a dossier. As proud as can be. Ambitious to a confounding degree.

Estier, Claude. Former progressist close to the PC, one of the left-wing leaders.

Fabius, Laurent. His career ability is hidden under a very great apparent engaging manner. Still too weak to mingle on equal terms with the old political crocodiles and too befittingly bourgeois to lend a new tone to public discussions.

Gaspard, Françoise. She has succeeded in getting what she wanted, but without bootlicking and by choosing the hardest roads.

Joxe, Pierre. Paleomarxist who pushed enthusiasm into oblivion. Bashful lover of the CGT [General Federation of Labor].

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Martinet, Gilles. Respectable fighter in every struggle which stirred up the Left in the past 40 years. He unquestionably played a dominant part in the continual clearing of the roads to be marked out.

Motchane, Didier. The PS Savonarola.

Poperen, Jean. There is something of Fouquier-Tinsville in this talented orator who prefers to provoke and to thrash than conciliate and calm.

Quiles, Paul. Entirely at the first secretary's service, he already stands out for his amazing ability for pompous display. His meteoric course is running the risk of upsetting him when he reaches the dense areas of party problems.

Edmond Maire

Maire has a unique passion, the love he has for the organization he is leading. His whole life is at the trade union service. His whole will, all his very keen intelligence are brought to bear on defending what he believes to be the interests of the working class and, consequently, what he considers the best to serve them: the trade union system of the CFDT [French Democratic Confederation of Labor]. He is intensely democratic. He is unquestionably the most unpretentious leader I have ever had occasion to meet. Without fail, he bows to majority decisions to such an extent that he can withdraw from within a confederal office or from an executive committee, without resentment, even when his point of view has been belittled. He wants the permanent expression of the organization's majority. I would even say that as a result of his being so continually engrossed in his union concerns, he has come to look down on the political world in good faith but a little to simplistically. Because of this, he sometimes seriously underestimates political action in favor of union action, the burden of whose concrete realities seemed to him to be of infinitely greater importance than the basically verbal agitation which, in his opinion, is typical of politics.

Let me add, that he looks with a certain contempt on all political leaders who have in mind only their own personal ambition, whereas the trade unionists would be motivated by a joint representation.

From 1973 to 1978 he suffered a thousand deaths on seeing union actions hindered by the hope of a leftist victory which was demobilizing worker militants and moving them away from any strictly protest activity.

To give a complete picture, let us note that this rather brilliant personage was a very cheerful man with a very keen sense of humor. Mendes France appealed to him far more than Mitterrand but as a result of living in a closed circle, he acquired some of the oddities peculiar to bureaucrats in all big organizations.

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Lastly, and this, no doubt, is a peculiarity which deserves to be highlighted, the CFDT leaders and particularly Maire are entirely aware of French and world economic facts. I remember their dismay in regard to the amassing of electoral promises which the PS made in 1978.

Maire and his friends have a significant advantage over the other trade unionists. They have fresh views for analyzing the historical period in which we are living. They do not drag along with them the past saddles with obsolete ideologies or merciless open opposition. Naturally, there is still an underlying vein of anarchist-unionism mingled with a Christian mustiness, but they themselves gladly denounce them, and are aware that there is still a long way to go to be rid of these obstacles.

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COUNTRY SECTION

ITALY

PIG FARMERS FIND PROPOSED EEC PRICING MEASURES INADEQUATE

Milan IL SOLE-24 ORE in Italian 7 May 80 p 5

[Text] Milan--Despite what the figures of the last few months of the year would have us believe, 1979 was not a favorable year for Italian pig farmers.

Moreover, after the sudden soaring of prices which occurred in the last 2 months of 1979, there was a definite retrenchment to the extent that quotations are currently at very low levels (1,200 to 1,250 lire per kilogram on the hoof) and therefore below production costs, according to operators in this sector.

How has it been possible that from a period of recovery--which appeared at the end of 1979 and the beginning of this year--we have sunk in such a short time to the current unfavorable economic situation?

Producers maintain that this is due principally to the excessive increase in imports which occurred in the first few months of this year (108 percent in the case of pigs on the hoof, 104 percent for fresh meat and 66 percent for frozen), brought about in turn by the overproduction of surplus-producing countries (the Netherlands, Denmark and Belgium) and by a higher level in the Monetary Compensatory Amounts [MCA] which recently occurred due to the weakening of the lira, as well as by an abundant supply of this product from third countries, particularly the GDR.

Moreover, if we consider that the costs of feeding swine have increased 8 to 10 percent since the beginning of the year and that inflation is running about 20 percent, we cannot fail to conclude that the swine sector has currently fallen into a critical state at least equal to that of last year and that it therefore needs support measures.

Agriculture Minister Marcora himself, recently inaugurating the International Pig Show of Reggio Emilia, expressed concern over the future of this important sector of our animal husbandry. Moreover, in summarizing the results of the recent EEC summit meetings on the subject of agromonetary measures, he asserted that the pig-farming sector is interested in such accords, which, however, are not yet definitive due to reservations by the English, and which can be summed up as follows: a) increase of 5.5 percent

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in the base price of pork; b) average increase of 5.5 percent in reference prices of feed grains; c) complete lowering of the Italian MCAs [Monetary Compensatory Amounts] through an immediate devaluation of 4.1 percent and a subsequent devaluation of 5 percent at the beginning of the season (1 August for feed grains and 1 November for the pork itself); d) lowering of the German MCAs by 1 percent and those of the Benelux countries by 0.2 percent; and e) confirmation of reduced withdrawals for grains.

Although the National Hog Raising Association acknowledges the minister's conscientious handling of the EEC affair, it expresses certain reservations about the effectiveness of these measures. It particularly believes that the 5.5-percent increase in the base price of pork cannot help but favor from a practical standpoint (through the higher level of the MCAs which will result from that action) and psychologically (through the greater guarantee of a higher support price offered in the case of stockpiling) only part of the EEC producers, that is, those of overproducing countries or at revalored currency. Therefore, Italy, a country already in debt and with weak currency, is further disadvantaged by this measure. Moreover, the 5.5 percent increase in the reference prices of feed grains is very burdensome for those--like the pig farmers--whose cost of feed grains amounts to 70 to 80 percent of the production cost of the meat.

Nevertheless, the pig farmers unanimously agree with a total revamping of the Italian MCAs. A partial lowering of the MCAs of countries with revalored currency is therefore well accepted, even though its overall effect is considered quite modest.

Lastly, granting Italy an adequate reduction in withdrawals in the case of the import of feed grains via ocean transportation even for the 1980-1981 seasons appears highly questionable to the producers because of similar requests made to the EEC by other countries (Denmark and Ireland in particular) whose ports--like those of our country--are inferior to that of Rotterdam. Moreover, yesterday's opening of EEC aid to the private pork pool does not soothe the critical attitude of our breeders with regard to the EEC policy. In fact, above all, it is pointed out that continuous recourse to the support mechanism facilitates rather than limits the production of surpluses, unjustly rewarding the lack of responsibility of those who make those surpluses possible.

And in any case, the pig farmers are protesting the continuation of the exclusion of that support from processed ham, a product of special interest to our breeding.

In conclusion, Italian pig farming does not seem to be finding immediate or decisive benefits from the series of measures emanating from the EEC negotiation and from the proposal to stockpile.

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COUNTRY SECTION

ITALY

CAUSES OF, REMEDIES FOR RAMPANT INFLATION

Milan IL SOLE-24 ORE in Italian 4, 6 May 80

[Article by Mario Baldassarri]

[4 May 80 pp 1, 2]

[Text] The first disturbing signs of an inflationary upsurge in September and October immediately brought forth from some quarters a certain explanation of the renewed price run-up.

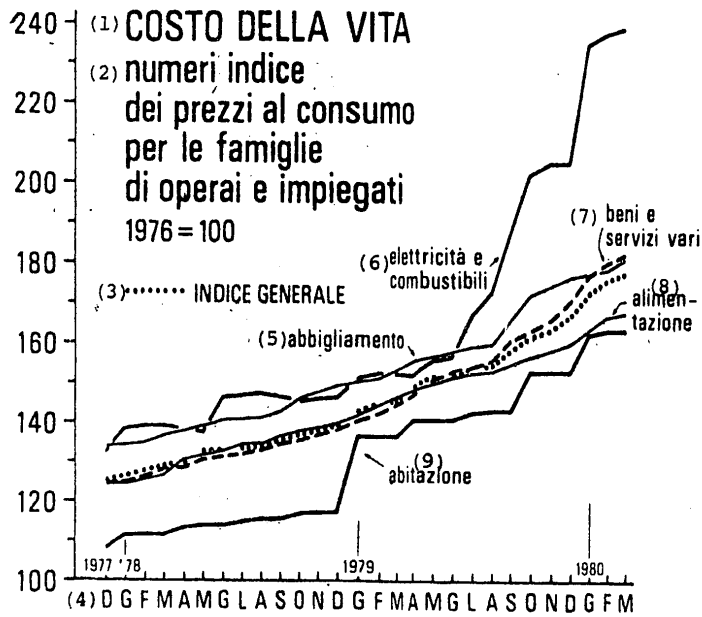
This explanation had two basic premises:

- a) The excessive rise in demand that was fueling the inflationary thrust on the Italian economy was being "discounted" as owing to the Italian economy's limited productive capacity;
- b) The excess demand had in fact arisen from the upsurge that took place in the money and credit supply during the final months of 1978, which had in turn been fed by the excessive growth of the deficit in the public sector. With a "lag" of some 10 months, therefore, this monetary expansion had "translated" into substantial increases in the demand for final goods and services.

This "explanation," which was strongly supported by CONFINDUSTRIA's [General Confederation of Italian Industry] then president Guido Carli and by Prof Mario Monti, was more recently used as the backbone of the analysis of the Italian economy as presented by the CEEP, the Republican Party's studies center, in its annual report. As I have already had occasion to point out, this "autumnal" position has two weaknesses. The first of these is the fact that the 1978 year-end growth in the public deficit was already sharply reduced within the first few weeks of 1979 and the monetary expansion was gradually slowed during the same year of 1979, especially from the month of August onward.

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Key:

1. Cost of Living
2. Consumer price index figures for families of wage earners and salaried employees--1976 = 100
3. General index
4. [Monthly beginning December 1977]
5. Clothing
6. Electricity and fuel
7. Various goods and services
8. Food
9. Housing

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Therefore, if the direct relationship between growth of the money supply and growth of demand, in the presence of a 10-month gap between the two, is to be considered valid, it could simplistically be concluded that, owing to the inherent dynamics of the money supply and the virtual non-creation of additionally monetary base by the needs of the treasury (which amounted to only 500 billion lire throughout 1979), inflation for 1980 should by now have already been brought under control in the months past. This hypothesis falls far short of reality.

The "explanation's" second and far more significant weakness lies in the failure of the analysis to tally with the available facts in terms of consumer price indexes.

During 1978, Italian inflation reached almost 12 percent. During 1979, it reached almost 20 percent. This 8-percentage-point inflation differential is more than half owing to the contribution from four specific factors relative to 1978, as follows: One percent is attributable to electricity and fuel prices; a little less than one percent to gasoline prices, over one and one-half percent to rent increases following the passing of the equitable rent law, and almost one percent to the gold-price increase, which finds its way into the price index by way of wedding ring prices.

The specificity of this situation has been all the more confirmed in the first few months of 1980, in that the virtual-zero increment in these four factors in March explains the modest 0.9-percent rise in the consumer price index during that month. "This" inflation wave is therefore difficult to explain in terms of an excess-demand situation. On the contrary, it is eminently explainable in terms of oil price increases, the price rate changes induced by these, the new regulated rentals, and the upswing in the international gold-price quotations.

Had the drastic demand-reduction operations, so frequently recommended in the Fall, been carried out, they would probably by now have proven futile from the standpoint of an effective fight against inflation, and damaging from the standpoint of the stability of incomes, of employment, and above all of the necessary revival of investments.

Some supporters of the excess-demand thesis have probably by now, perhaps after comparing their "autumnal" analysis with factual data now in hand, modified their view of the causes of the Italian inflation.

Indeed, while still insisting on excess demand as the cause of the 1979 inflation wave, they are tending now to blame mainly increased costs, and specifically those of labor, for the 1980 round of price increases. As a result, measures that indeed could be effective against inflation are now, correctly, being diligently reviewed and the dangers and inefficacy of too restrictive a monetary policy given their due consideration.

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From the standpoint of the Italian economy, however, rather than seeing a transition from a demand-based to a cost-based inflation, it would seem more correct, in the light of the foregoing data, to clearly identify two distinct and successive inflationary waves, both resulting from increased production costs: the first of these beginning in September 1979 and seemingly in its final phase, according to March data, having had its basis in the price rise of raw materials, and especially oil; and the second due to begin unfolding within the next few months (March's 0.9 percent is in no way the inflation downturn signal some hasty commentators first took it to be, changing their opinion a few days later at the first indication of the April price trend), stemming from the labor cost increases built into the indexation mechanisms which, with the sliding wage scale increase of the 8 points that became effective in February and 12 points in May, are now re-coiling our "inflationary spring" in the constant direction of production cost increases. Thus, the inflation that has seemed up to now to be confined to some goods will, in the next few months tend to spread to all sectors and all goods and services by way of increased production costs.

Although it is possible, in the case of the first inflationary wave, to cite the bitter fact that the price upthrust was general throughout all the industrialized countries (inflation has also been relatively high the past few months in France, Great Britain, United States, and even the FRG), it would seem that in the case of the second wave, which has been gathering momentum in recent weeks, the problem lies entirely within the specifics of the Italian economy.

The prospects are therefore disturbing, that a further rise in our inflationary coefficient, leading initially to heavy drops in our share of the international market in view of the outlook for stabilization of the lira during the summer months, could inevitably lead, unless some corrective measure is applied, to a devaluation of the lira, which would in turn impart new and more powerful upward inflationary thrusts again to our economy.

Within these terms of reference, stabilization of the lira exchange rate thus becomes an essential objective. This objective certainly cannot be achieved, however, either through futile and repeated jawboning or through waits and deferrals for "better studies." It must be achieved rather through timely decisions capable of containing our production cost dynamic.

[6 May 80 pp 1, 2]

[Text] The current debate on possible ways of containing production costs is highly relevant. During late March and early April, the proposals being advanced by all concerned were subjected to detailed analyses in the many related commentaries, to the point even of being classified in order of deflationary effectiveness. The top place in one of these classifications is occupied by "sterilization without taxation," second place by "sterilization with taxation" (Spaventa proposal), and third place by "taxation without sterilization."

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Putting aside technical definitions, which at times appear euphemistic but are in any case obscure to the general public, it might be more clarifying to state that the various proposals under current consideration for reducing production costs actually fall into one of the following three categories:

- a) temporary suspension of a certain number of wage scale indexation points;
- b) temporary suspension of a certain number of wage scale indexation points, compensating employed workers by way of increases in allowable tax deductions such as to guarantee them an unaltered level of take-home pay (Spaventa proposal);
- c) assumption by the state of a portion of the social security burden equal to a certain number of wage scale indexation points, ranging from total coverage by an increase in general taxes (Andreatta proposal) to partial or total coverage by an increase in the budgetary deficit (OECD [Organization for Economic Cooperation and Development] proposal).

Having thus clarified the nature of the possible interventions, we can now proceed to analyze in more detail the various proposals.

Even if the sliding wage scale indexing mechanism is not itself the primary source of direct inflationary thrusts, there now seems to be broad agreement among many observers that it does produce distortive effects by prolonging in time and amplifying the impacts of all other thrusts--"accidental" or "structural," internal or external--upon our production costs.

It is this power to multiply other inflationary thrusts upon the economy that underlies that "perversity" of the mechanism requiring some kind of correction. From this standpoint, therefore, it would seem a highly positive step at this point to fully recognize the distortive power of the indexed wage scale and to avoid, at this stage at least, trying to "convert" the labor unions to the monetary "gospel," which, as has been pointed out in the past, would simply permit them to blame inflation entirely on the excess money supply while granting total absolution to labor costs. It is also true, however, that an eventual structural modification or temporary suspension of indexed wage scales could not be undertaken without the necessary social consensus, and particularly that of labor. And from this viewpoint, the rapid intervention times required by the current situation appear to be incompatible with the times required for "convincing;" which at this point still seem rather long.

Going beyond this sociopolitical aspect, however, we must address the question of whether an intervention of this kind at this juncture would not be open to some serious and well-founded criticisms. I seem to see at least two. In the first place, while it is true that not paying the wage scale index points would reduce costs to the enterprises, it is also true that it would result in reduced income to employed workers.

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Currently, the international economic outlook is growing darker and darker, and the expected drop in world demand in the next several months, and above all in 1981, looms ever more precipitous and disquieting. It does not seem entirely proper to add to this depressive factor the further one of a decline in domestic demand that would be bound to follow a drop in the incomes of employed workers' families.

In the second place, a suspension of wage scale indexing could be criticized from the standpoint of its distributional inequity. Why should only the employed workers (and besides, only those who are regular employees of "emerged" enterprises) pay the cost of guaranteeing competitiveness, exchange rate stability and inflation control? Is it not possible to distribute the burden of lowering industrial production costs differently and more equitably?

From these two viewpoints, the "Spaventa-type sterilization" and "Andreatta-type general taxation" approaches seem to be probably the most viable and most equitable of the alternatives. I have cited both these proposals together because a more careful analysis reveals them to be in reality one and the same thing. Actually, in the case of the Spaventa "sterilization" proposal, certain wage scale index points would be suspended but the workers would be compensated for them. Thus, the enterprises would be saving some 3,500 lire per point. The workers would be receiving an income equal to the one they would have received had the points not been suspended. The state would be "paying" the workers, by way of increased tax deduction allowances, the net point value, free of taxes and social security contributions (around 1,800 lire per point) and "forgoing" the additional tax revenues and contributions it would have received had the indexing points not been suspended. The cost to the state would thus total approximately 3,500 lire per point.

In the case of the Andreatta "general taxation" proposal, the enterprises would still be saving 3,500 lire per point covered by a general tax, the workers would still not experience a reduction of their income, and the state would still have to cover approximately 3,500 lire per point.

The real problem inherent in both these proposals, however, is to determine whether, how much of, and how these costs to the state are to be covered by additional taxation such as will not directly impact prices. The OECD proposal is seemingly to finance the operation through a budgetary deficit, whereas the Andreatta, Spaventa, and the more recent Izzo proposals would totally cover the operation through increased taxation.

All things considered, therefore, this type of intervention seems to offer, for equal reductions in production costs, several advantages over the mere suspension of the wage scale index points:

- 1) It would avoid the dangerous operation of cutting into the buying power of the regularly employed workers;

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2) Total coverage through general taxation would not increase the public deficit and would facilitate a distributionally equitable operation, in that the tax scale could be weighted to bear more heavily on those social categories that are currently paying less taxes than others and on social brackets that are currently enjoying the highest incomes.

3) The reduction in social security contributions and the concurrent increase in general taxes would facilitate the start-up of the required restructuring of the Italian system of taxation, which is still today a far cry from the average European system. It must in fact be remembered that our enterprises are being compelled to carry a social security burden that is currently, and virtually without peer, among the very heaviest in the entire industrial world.

As compared with the other European countries, our industrial costs are higher and our income and consumer taxes lower.

Lastly, there is a further and serious concern to be considered, as to the effectiveness of a taxation or sterilization approach to the reduction of production costs, in that there would be no guarantee that enterprises would not simply take advantage of the lowered costs to increase their profit margins or to more easily grant salary increases.

This concern is certainly one that is easily shared. In the first place, however, it must be pointed out that the possibility exists under any form of approach, that cost reductions will not be translated into price reductions, and would therefore exist under a temporary suspension of wage indexation. In the second place, it must be noted that the possibilities of containing prices through containment of production costs are linked also to general market conditions.

In the case of export prices, given a sharply declining world demand and possible maintenance of the lira exchange rate, it is difficult to see why any enterprise should want to increase its unit profit margin at the risk of selling little or nothing, rather than realine its unit profit margin to hold on to or even increase its share of the market.

In the case of the domestic market as well, the prospect of a gradually declining demand can hardly render an attempt to increase unit profit margins appetizing.

Moreover, assuming a pricing mechanism based on production costs, it is hard to see why enterprises should base their current price lists on costs they are not actually bearing.

In this sense, therefore, the effective timings of any possible measures become highly relevant. It is a known fact that enterprises prepare their price lists in advance of actual production, basing them on expected production cost increases. Should the production cost reduction operation

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take place too late, that is after the enterprises have discounted the higher production costs on which their prices were based, an ex post facto cost reduction would be more difficult to translate into a lowering of price lists already in existence, and more easily translated into increased unit profit margins even if sales volume should later result less than anticipated. From this viewpoint, "time limits" may already be upon us. Any intended steps should therefore be taken with extreme urgency and certainly before the enterprises have to pay the 12 index points that will fall due for May.

I cannot therefore agree with the argument that has been propounded by some quarters, that in case of a taxation-sterilization operation entirely covered by general taxes the state would obviously be admitting it is powerless to effect modifications and a temporary suspension of wage scale indexation by paying out of its own pocket at the expense of increasing the public deficit. On the contrary, it would be a right and proper decision by the economic policy authorities whose responsibility it is toward the nation to bring inflation under control as best and as quickly as possible, confronted though they may be by requests from social sectors for more time to analyze and be convinced, when such time is too long and incompatible with the inexorable timings of the economy.

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COUNTRY SECTION

ITALY

PCI PROPOSAL FOR SOUTHERN ITALY DEVELOPMENT FUND

Reform Impossible; Replacement Necessary

Rome L'UNITA in Italian 24 May 80 p 6

[Article by Marcello Villari: "The Fund Cannot Be Reformed; It Must Therefore Be Dissolved"]

[Text] Rome--The Southern Italy Development Fund, and the policy of special participation by the state in the Southern regions, have been in existence for 30 years. It is a span of time which is sufficiently long to permit--now that the law continuing the participation is about to expire--a serious, in-depth discussion of the results of three decades of "Southernist" policy on the part of the government. Although this discussion was requested by many of the parties involved it did not take place, and the government appears to favor leaving unaltered (except for a few nominal changes) the substance of the special policy for the South. On the other hand, the Communist Party has a proposal (which it will submit for public discussion by political and social forces throughout the South) which calls for a profound revision of the special participation policy and the instrumentalities of that policy which have evolved during these past 3 decades. The basic premise is the dissolution of the Southern Italy Development Fund. Why is supersession of the principal instrumentality of participation--the Fund--precisely the point of departure for effecting the changes in the "Southernist" policy of the state that are set forth in the PCI [Italian Communist Party] proposal?

The defenders of the Fund (that is to say, of the existence of a special entity) have always justified it by citing its efficiency vis-a-vis the notoriously inefficient Southern public sector. They say this efficiency guarantees to the South a massive body of public works--the participation of a special character that is necessary in order to eliminate the differential that exists between it and the North. "Indeed," says Emanuele Macaluso, chief of the southern section of the PCI, "not only has this discrepancy between North and South not been overcome (although it has been moderated) with respect to employment, development, and even the quality of life and the public services, but this presumed ability of the Fund to be a

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'special' entity has not been borne out, and the Fund's participation has become increasingly cumbersome, to the point that it has slowed dangerously in recent times."

Basically, the communist criticism (as well as the criticism formulated by other political forces and advocates of Southernism) of the special participation policy is that a "special" policy is precisely not the way to deal with, and solve, the problem of development in the South. What is needed instead is a great national effort, a "Southernist" orientation for all decisions with respect to national economic policy: in a word, planned national development.

Franco Ambrogio, deputy chief of the southern section of the PCI, makes a further observation. "Acting in accordance with this vision of the Southern problem," he says, "at the time of the previous expiration date (in 1975) of the Law on the South we initiated discussions with the other political forces to explore the possibility of effecting changes in the Fund. The result was Law 183, which substantially changed the structure of that special entity and the manner of its participation." Under Law 183, in fact, a strongly programmed character was imparted to the Fund's expenditures and to the special participation, with the intention of surmounting the policy of bribes and wasteful patronage associated with this participation. Close coordination was subsequently established between the special expenditures on the one hand and normal participation by the state, in order to make the special expenditures genuinely "supplementary" in character (who does not recall the long-standing polemic waged by many Southernists and by the PCI, who argued that instead of being "supplementary" the special participation had actually replaced the normal governmental expenditures?). Lastly (and this is the strongly innovative statistic), political control over the management and execution of the programs was restored to the democratic organs of the state (Parliament, the Committee of the Southern Regions), thereby taking it away from a separate and uncontrolled entity such as the Fund.

In essence, a profound transformation was undertaken of an entity which instead of serving as an "efficient" instrument of participation and expenditure for closing the North-South gap had been--throughout its 30 years of existence--an "efficient" instrument by means of which the DC [Christian Democratic Party] and an entire Southern political class had built a power structure, managing public expenditures in an indiscriminating and partisan manner.

This work of transformation ended with the initial phase: elaboration of the 5-year plan for governmental participation in the South. "Subsequent events," Ambrogio commented, "have demonstrated that the Southern Italy Development Fund is capable neither of transformation nor of reform. Sabotage is quite literally being employed in opposition to reform, mainly by the national and Southern leadership groups of the DC and by a large segment of the Fund establishment itself, with the result that governmental expenditures are paralyzed at a moment when the situation in the South would appear to require emergency measures on a massive scale."

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The argument being used by the present government in an effort to keep the Southern Italy Development Fund intact basically remains the same as always: namely, that the local entities, the Regions, are not capable of spending public moneys. "It's a truly curious line of reasoning," Macaluso adds. "The DC and the other parties of the government say that all is well, that the Fund has a large surplus, and that we should therefore adapt this instrument and eliminate the dysfunctions, on grounds that the Regions are worse than the Fund. Well and good," he added, "but if they believe the Fund can be reformed, then why can't the Regions be reformed? If it is true that things are not going well for the Southern regional entities, who is responsible if not the DC, which has managed them during this period and has not provided them with the technical structures for making expenditures rapidly and in a programmed manner? The truth is that the Regions do not want to undertake the task, for they prefer to have the flow of state moneys for the South continue to be managed by an organ that is outside the scope of democratic control--an entity such as the Southern Italy Development Fund." Moreover, the very poor results produced by the Fund's activities during these years no longer allow anyone to speak of the "efficiency" of this instrumentality.

And what is the PCI proposal? The communists are proposing the dissolution of the Southern Italy Development Fund (and its transformation into a technical agency) together with the creation of a supplementary fund for the South to support regional and interregional development projects that will be managed either directly by the Regions or by the Committee of Representatives of the Southern Regions and by the CIPE [Interministerial Committee for Economic Planning]--in essence, they are proposing the democratic management of expenditures within the framework of national planning.

Details of Communist Program

Rome L'UNITA in Italian 24 May 80 p 6

[Article: "How We Want To Change the Participation in Southern Development"]

[Text] Rome--When the Southern Italy Development Fund and Ministry of Special Participations are dissolved (as the PCI proposes), those functions of the Fund which relate to project contracts will be transferred to the regular structures of the state, while the functions formerly performed by the Ministry of Special Participations are to be assigned to the Ministry of the Budget and Economic Planning.

The next step will be the creation of a National Fund for Supplementary Participation in the South to finance regional and interregional development projects. This funding will be apportioned in accordance with the decisions taken by the Interministerial Committee for Economic Planning (CIPE) on the advice of the Committee of Representatives of the Southern Regions. This procedure is designed to ensure participation by the regions in the determination of policy for the overall planning of supplementary participation in Southern development.

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The PCI proposal contains a chapter on the management and execution of the "regional and interregional development projects." The regional projects--which are incorporated into the policy of regional planning--may be of a sectorial or intersectorial character and also include those state participations which will be implemented by proxy. The interregional projects may include the erection of infrastructures; the provision of contributions and incentives; the coordination and utilization of Southern products; urban renewal; and other infrastructural projects. The Committee of the Southern Regions will prescribe the program for the interregional projects; coordinate it with the programs for regional development and transmit it to the CIPE, which will approve it each year and recommend priorities. The basic contribution for the regional projects will be divided among the Regions in accordance with the decision of the CIPE based on the parameters established by the Committee of the Southern Regions.

The old Southern Italy Development Fund will then be replaced by the Institute for the Economic Development of Southern Italy (ISVEM), which--as the exclusive agent for the state, the Southern Regions, the district consortia, the mountain communities, the communes and the provinces--will carry out studies of an economic nature for the development of the South and will draft economic plans for land use, development projects and regional projects. The PCI proposal further provides for dissolution of the area consortia and the nuclei for industrial development.

With regard to the state policy of support for industrialization, provision is made for revising the system of incentives and for reorienting national planning policy along Southernist lines, in accordance with Law 675--the law concerning industrial restructuring.

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COUNTRY SECTION

ITALY

INDUSTRY MINISTER'S CAREER, POLITICAL ASPIRATIONS

Milan IL MONDO in Italian 9 May 80 pp 13-15

[Article by Lorenzo Schegge: "How Far Will Bisaglia Go?"]

[Text] Giorgio Milani, the communist official responsible for State Participations, believes the most likely hypothesis is that Bisaglia is an opportunist. He told IL MONDO, "Bisaglia changes strategy according to which ministry he is in: At the State Participations Ministry he was a proponent of aid; in the Industry Ministry he is a neoliberal. If he were to go to the Labor Ministry one could swear that he would seek an accord with Luciano Lama." For others, however, this interpretation is deprecatory. For example, Paolo Cabras, one of the leading men of the Christian Democratic minority headed by Benigno Zaccagnini says that "It is not to be excluded that Bisaglia became a supporter of liberal ideas in order to seize the leadership of the Dorotea current from Flaminio Piccoli. But regardless of his intentions, he proposes a rather weak line made up of somewhat abstract speeches on the centrality of the enterprise." CISL [Italian Confederation of Labor Unions] Federal Secretary Pietro Merli Brandini comments, "The line expressed by Bisaglia is the anachronistic and dangerous one that is arising throughout Europe and whose major exponent is Margaret Thatcher."

For almost two weeks, with very special care, political commentators, trade unionists and economists are trying to decipher the thought of the Dorotea leader. What caused all this attention, and a mass of hypotheses, was above all the speech Antonio Bisaglia made on Monday 14 April at Milan during the inauguration of the 58th Exhibits Fair. With unusual clarity for a Dorotea leader, he expressed his point of view on major economic subjects, going so far, however, as to also make some important statements of principle. Thus it was concerning public aid ("it must not be an alternative to the functionality of the market" and in any case, "even when it is directed as a response to particular reasons of a social nature, it must not support salvage operations in an indiscriminate way"); and on prices, (it is necessary "that these be formed in a controlled market, in which supply and demand are manifested competitively"); and this, above all, on business ("it is necessary to loosen the restrictions that have depressed the vitality of

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of business during these years in order to reestablish those structures that must characterize a healthy economy that is open toward foreign countries, to restore to the market the irreplaceable role of indicator for efficient economic and business choices, because it is only thus that we can achieve a resumption of the process of accumulation of wealth which is the source of economic and social well-being").

These statements immediately provoked the anger of the left and the trade unions, who especially were concerned about Bisaglia's declared intention to launch as early as possible a law on business which would eliminate those restrictions on enterprises which Guido Carli, with an effective phrase, described as "bits and pieces of string."

Merli Brandini says, "If the content of the legislation forecast by Bisaglia is what was proposed and requested by Confindustria, the matter is extremely alarming." But, on the other hand, Bisaglia's statements were applauded by Budget Minister Giorgio La Malfa ("It was a speech worthy of a republican," he commented along with IL MONDO) and the total agreement of Alfredo Solustri, the Confindustria associate director general. He explained, "With Bisaglia the businessmen once again have in the Industry Ministry, as they had with Carlo Donat Cattin, an authoritative champion who has the power to achieve what he thinks."

But what does Antonio Bisaglia think? Why, at this time, is he so much liked by the businessmen and the lay leaders of the center?

The answer to these questions could come from what Bisaglia does, and what he did particularly from the time in August a year ago when he became industry minister.

His actions can be divided basically into three groups. First of all, a price policy oriented toward a progressive and general liberalization. The most noteworthy case was that of the prices of petroleum products, which Bisaglia moved from a system of control to a system of surveillance. He said it was the only solution to deal with the periodical lack of petroleum in Italy. The polemics were very heated, the accusations against him--of working in the interests of the oil companies--were very heavy. But Bisaglia went ahead without delay on that road. As his collaborators explained, he was convinced that "a ceiling cannot be put on prices." Thus, one by one the price of bread, meat, paper, detergents, fertilizers, insurance, rose.

Then there was a very careful selection of those he appointed. This was true for the chemical commissioners as well as the presidency of some chambers of commerce. Bisaglia named Bastogi [Company] President Alberto Grandi to the Monti group, preferring him to ANIC [National Fuel Hydrogenation Agency] President Giuseppe Ratti. Ending rumors that Giorgio Mazzanti certainly would be named to head Liquichimica, he instead named Eugenio Carbone, ex-director of the Industry Ministry, now in retirement, an

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official of extensive experience but who certainly represents a transitional solution since the entire hierarchy of the chemical industry is still to be decided. For the time being, Bisaglia is not saying anything about this publicly, but it is perhaps not without significance that, according to news leaks picked up by IL MONDO, the possibility of putting Giorgio Mazzanti at the head of the financial organization is not looked upon with favor at the ministry.

For the chamber of commerce positions at Venice, Genoa and Treviso, Bisaglia, overturning a tradition that required that they be chosen from among political leaders, when he replaced the three presidents, chose them from top level personages of the respective business associations. It is whispered at the Industry Ministry that, "It is a policy that leaves no doubt about Bisaglia's intentions: To launch signals so that it will be clear that he opposes further expansion of public aid to the economy and that he is among the entrepreneurs and businessmen that seek alliances and consensus."

Bisaglia makes no mystery of the fact that this is one of his objectives. Being extremely careful about his public image (the third directive of his administration of the Industry Ministry), Bisaglia was very careful to establish good relations with the lay industrial and banking world. It was not by chance that he wanted as his very close collaborator and adviser Vittorio Barattieri, who was later named director general for industrial production. He is a former official of the Bank of Italy, a republican, an intimate friend of many top leaders of the lay world. But he also is concerned about appearing to be an efficient manager who, for example, in a short time succeeded in restoring the effectiveness of laws covering incentives and industrial reconstruction like Law No 675. In short, he appears as a man who industrial leaders can trust from every point of view. But where does Bisaglia think this policy can lead him?

Everyone, friends and adversaries, agree on one thing: Bisaglia is a very ambitious man who aims high. He no longer wants to be, as Agnelli described him 3 years ago, a "provincial boss," a minor official who draws up party organizational charts and who has a safe government job, but one who now aspires to becoming a political star of the first magnitude. During the recent government crisis, when the horse trading for the assignment of ministries was in full swing, many industrialists, according to information received by IL MONDO, went to him on a pilgrimage to ask him to remain at the Industry Ministry. Bisaglia remained, and now it is up to him to resolve the problem of the chemical industry's organization, and to say a perhaps decisive word (so far he has been careful not to say it) on the complex question of Fiat-Alfa-Nissan. One thing is sure: For Bisaglia there will be other opportunities to further increase the value of a promissory note for which, sooner or later, he will ask payment. It will be payable either at Palazzo Chigi, or at Piazza del Gesù.

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COUNTRY SECTION

ITALY

DC'S ANDREOTTI, PRI'S SPADOLINI ON CONCORDAT REVISION

Milan IL MONDO in Italian 9 May 80 pp 24-27

[Interview with Former Prime Minister Giulio Andreotti and Italian Republican Party Secretary Giovanni Spadolini, by Paolo Passarini and Claudio Torneo: "Once upon the Death of a Pope": The title of this article is the same as the title of a book by Andreotti. In the vernacular "A ogni morte di papa" means "once in a very long while," apparently because at one time popes enjoyed long lives. The title seems to be a play on the fact that seven popes reigned during Andreotti's lifetime]

[Text] More than once as the last legislature was coming to a close, Giulio Andreotti was aware that his long term as head of government (from 1976 to 1979) was about to be interrupted, and he announced he intended to work on a new book. Something similar had happened in 1973 when Andreotti had to leave Palazzo Chigi [the building housing the prime minister's offices] after another term as prime minister in the center-right government with Giovanni Malagodi's Liberals. "It is 1300 Hours: The Minister Must Die," was the fruit of relative isolation in which the resigning prime minister found himself at that time. And thus the book about the attack on Pellegrino Rossi (and those preceding it, "The Charade of Pope Mastai," and, "The Meal of Abstinence for the Cardinal") is followed today by "Once upon the Death of a Pope" which will be in the bookstores within a few days under the imprint of the Rizzoli publishing house.

"Once upon the Death of a Pope," is an autobiographical book based on personal memories and direct experience. Dedicating one chapter to each (long or short according to the number of memories accumulated), Andreotti paints a picture of all the popes who lived during his life, beginning with Benedict XV (when the author was just a little child) and coming to our own day, to the Polish pope, passing through Pope Ratti, Pius XI; the very much admired Pope Pacelli, or Pius XII; John XXIII, the much-loved Giovanni Battista Montini; Paul VI, and finally John Paul I, with his 30-day pontificate. Seven popes, seven chapters, during the course of which Andreotti-- who at the same time is one of the most important political men of the 35 years of the republic and also the one who knows Vatican affairs best, expresses his basic conviction: With the passage of time, the relationships between the state and the church have changed. And always for the better.

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On the subjects raised by "Once upon the Death of a Pope," and particularly on the concept of church-state relations which can be drawn from the book, IL MONDO organized a confrontation between Andreotti and a historical lay person, today the head of one of the oldest parties in this area: Giovanni Spadolini, PRI [Italian Republican Party] secretary. This is what they said face to face.

IL MONDO: The confrontation could begin with this subject: What concept of church-state relations can emerge from Andreotti's book? Senator Spadolini, would you like to begin?

Spadolini: The evolution of church-state relations, as it is reconstructed through evidence, recollections, fragments, words and even the silences, which are all equally important, in this book by Andreotti could be isolated into three fundamental periods: The last liberal period, during the reign of Benedict XV; the period which precedes and follows the Concordat; the papacy and the postwar democracy. Regarding these three fundamental periods, Andreotti's narration is very rich regarding the third and I would say that it essentially refers to the third because the very young Andreotti who attended a conference by Cardinal Eugenio Pacelli on Christ, was still little more than a boy. His militant activity as president of the FUCI [Italian Catholic University Federation] and as an important person in Italian political life coincides with the pontificate of Pius XII and coincides above all (and this is the most stimulating part of the book) with the relationship with Giovanni Battista Montini, first as surrogate and later as pope.

Andreotti: Naturally, my book contains only some of everything that could be said on church-state relations and on the individual popes I dealt with, because I dealt strictly with the events and persons I knew directly. And if this in many ways represents a limitation, in another sense it could perhaps be a stroke of originality. This study, I believe, gives the possibility of seeing how, with the changes of time, even the line of relations between the church and state can change profoundly. Why do I say the changes of time? Consider, for example, the immediate postwar period. It was a time of great international tension, of religious persecution in some areas of the world tied to certain political-social systems. There was, therefore, a game of defense, if I may be permitted to speak so, that not by chance brought about a coincidence of preservation of liberty, not only of Catholics but the general freedom of democrats, with a position of the church.

Then gradually there was an evolution that seems to me to be very positive, there is the full recognition of the merits of the democratic system, there is the development of Christian humanism by the church which permits those in political life to have the most absolute freedom. This was not born from one day to the next, but it seems to me that the line in our constitution which regulates relations between the church and state has been, as it turns out, a profoundly valid line and that it is that which, through trials, and

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also through some misunderstanding, established the bases which remain just as valid today as they were at the time when they were established in the constitution of the republic.

IL MONDO: A question that Andreotti certainly expects to be asked is that of the particularly close relations which, even though he was a statesman of the Italian Republic, he maintained with the Vatican.

Spadolini: I wanted to comment on this. The years of the passage from fascism to democracy should be deeply studied because they are the decisive years, among other things, because of the political position of Italian Catholics in regard to the problem of democracy. In the Catholic world, the choice regarding the democratic future of Italy was not peaceful, as the decision to create a Christian Democratic Party representative of the majority of the Italian Catholics was not peaceful. I should like to recall that Gedda, immediately after 25 July, offered Marshal Badoglio the collaboration of Catholic Action, that there was a wing of the Catholic world, Vatican above all, which also envisioned a kind of painless solution between Fascism and post-Fascism. And here it is very important to study what so far has not been done in any work and to which even Andreotti's book does not make a direct contribution: What was the true role of Pius XII regarding what later was the choice of 1944-1945, that is, the choice of Christian democracy as the representative democratic and popular party of the Catholics? We know why it was decided to call the new party the Christian Democratic, and not the Popular Party; we all know the background of the talks of Milan and Rome in which Andreotti, who was very young, participated, but we do not know the true thinking of the secretariat of state. It appears, for example, from diplomatic documents that Sforza, who later in the position of foreign minister went in 1949 to Pius XII to discuss the matter of accepting the Atlantic Pact, regarding which there was perplexity or uncertainty in the Catholic world. Sforza, as I was saying, in 1943-1944 was indicated as "undesirable" by the Holy See. There were reservations and suspicions about the world of democratic anti-fascism in exile which survived 25 July.

And here is where the Sturzo question comes in, which is sufficiently important and upon which even Andreotti does not throw full light. Why was Luigi Sturzo, founder of the party of Italian Catholics, never received by Pius XII in the years--about 11 or 12--during which he lived in Italy after his return from exile? Why, then, in 1952 was Don Sturzo selected to head the civic ticket of Rome? The selection of Sturzo, who had never had relations with the pope, whom the pope had never wanted to see and who in substance was somewhat suspect because he had been the interpreter of a form of Catholicism strongly marked by Anglo-Saxon traits during his exile has always been a mystery to me. All these are reasons that make the history of the conciliation between democracy and political Catholicism, aside from the concrete expression which was the Christian Democratic Party in those years, very complex. I should like to know from Andreotti what impression he drew from the meetings he had with Pius XII during the period of the Nazi occupation.

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Andreotti: The pope was very worried that the defeated Fascism, and the Fascism of occupation, which everyone was convinced would be of short duration, would be followed by a regime of ungovernability or a communist regime. This certainly had an influence. Another influence was the consideration to avoid a situation in which there could be a confusion between the church and a particular political system, especially in Italy. Let us never forget the historical moment that framed these matters. In some countries there were considerable numbers of bishops and cardinals in prison and there were actual impediments to the exercise of religious freedom. And this explains the desire to avoid seeing the clergy become personally involved in political struggles. There is a point in the Concordat, and rather it is strange that Fascism accepted it, which speaks of the separation of the clergy from political party action. Now a document drawn up in 1929 which speaks of parties is sufficiently unusual. Then I went to see it...

Spadolini: However, the Concordat preceded the plebiscite by a month...

Andreotti: Yes, but it was clear that there was a desire, I believe, in the minds of the drafters, to go beyond that which had been the Fascist regime. Then regarding the famous "Sturzo operation," I don't think it was the pope's idea. Certainly the pope was very concerned about the political situation and this state of mind was reinforced by those who painted the reality in much more catastrophic terms than it actually was. Some wanted to attribute the Sturzo imprint to the idea of the depoliticization of the communal ticket, believing, on one hand, that this gave him democratic respectability, and, on the other, because Sturzo's public statements at that time were considerably critical of the parties. They did not understand that Don Sturzo's points were not demagogic, but constructive. He suffered because the party did not demonstrate that it was equal to the situation. Certainly, Sturzo's entire life had been one of, on the one hand, great discipline in regard to the church, and on the other, also of enormous suffering.

IL MONDO: Andreotti suggests in his book that the Sturzo operation failed also because of Andreotti's intervention. Earlier, in order to ward off too heavy an attack by Pius XII, Andreotti had intervened in the matter of Catholic communists, later, recently, concerning divorce. From his position as a lay statesman, Andreotti believes he can give the popes useful suggestions. Do these suggestions, to use an expression by Senator Spadolini several years ago, "widen" the Tiber or do they reduce the distance between the two banks, obfuscating the autonomy of the Italian state in regard to the Vatican?

Spadolini: The wider Tiber is a formula that grew out of the passage between two pontificates: That of Pius XII with his closed nature and his bitternesses, and that of Pope John who decided to bless the Italian Risorgimento and open the church to a joint celebration between laymen and Catholics of the hundred years of Italian unity. It is an expression that came out of the office of RESTO DEL CARLINO and later became the title of my book. Therefore, there is no conflict between my formula and the various

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phases that you referred to. Certainly in the postwar history there were phases of the wider and the narrower Tiber, which after all are found even in Andreotti's book. There was a moment of a wider Tiber precisely in the sense of the pope as defender of the cities, the pope of the liberation, in 1944 and 1945. There were moments of a narrower Tiber during the period of the cold war when the Manichean conflicts were at times worsened by the Vatican, for example, with the unhappy decree of excommunication of the communists in June 1949. That was a useless gesture which served to fuel the harsh polemics of the extreme left against centrism, identified as a formula of support for clericalism, whereas the balance between lay and Catholic parties was actually conceived, even by laymen in the government, as an instrument of containment and defense in regard to the pressures De Gasperi was subjected to.

I should like to recall that in April 1952 at the time of the Sturzo operation, the only lay party in the government with the Christian Democrats was the Republican Party. Very well, the PRI secretary at that time, Oronzo Reale, had an undoubtedly important part in favoring that large part of the Christian Democratic Party, from Andreotti to Scelba, to De Gasperi himself, which wanted to bring about the defeat of the civic ticket which extended as far as the leaders of the Social Movement. Then there was the period of John XXIII which can be identified with the wider Tiber which, I believe, remained a substantial constant even in the Montini pontificate, even though with different accents. And these differences are captured very well in Andreotti's book because the ecumenical opening, with even a touch of modernist vibration, of Pope Roncalli is not the same as that of Pope Montini who is much more tied to Italian reality and the political reality of Italian Catholics. Only with the divorce question, at the end of the 1960s, was the line of the wider Tiber temporarily brought back into discussion. It is well to make clear, however, that they were tensions that could not be compared with--not even in their most bitter moments--those of the 1949 to 1953 period.

Andreotti: I should like to say a word about excommunication. Certainly, if we see it from a strictly political point of view, it could appear to be a confusion between the sacred and the profane. However, I believe we must consider it first of all from a religious point of view: If the adherence to the church is a free choice, nothing prevents certain things from being declared incompatible according to the rules of the church. And then, I repeat it once more, we must take the climate of the times into account. Later, the situation was unblocked, at least partially. The cardinals who were in prison were freed, the impediments to religious freedom were in part removed. Not all the problems, certainly, were solved, but it is a fact, for example, that the very Helsinki accord has among its sections, like the face of a single prism of freedom, even religious freedom. All this, together with the consolidation of democracy in Italy made the concession between the two camps, religious and civil, very different from that of the past.

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Therefore, I say with great objectivity, whoever considers excommunication more or less a factor of electoral interference, sees one aspect of the matter but with glasses that do not seem to me to be the correct ones. I believe that it is a merit of Italian democrats that they courageously defended the system of freedom, and that was of advantage also to the church. Because if there had been in Italy a completely different political direction, certainly even the church would have had difficulty developing its activities. I cannot imagine Vatican Council II under a Fascist regime or under another dictatorial regime in Italy. Therefore things functioned well both for the church and the state. Every judgment must always take the times into account, a certain graduality of evolution; if one departs from this, he gives a falsified view of reality.

IL MONDO: Now let us discuss Pope Wojtyla, to whom Andreotti dedicates the last chapter of his book. The speech by the pope at Turin caused many polemics. What is the relationship between the two banks of the Tiber with a pope who is so far from Italian politics?

Spadolini: I agree with what Andreotti says in the last pages of his book: The religious preoccupation is more exclusive than dominant in Pope John Paul II and therefore it is useless to contend with horoscopes, which Andreotti calls petulant, of a political order. Having said this, however, I must add that the problem of relations between the papacy and Italy is posed beyond the essentially religious character of this pontificate. According to Salvatorelli's outline, which I agree with, beginning with the Risorgimento there was an alternation of religious and political popes. I believe, however, that with Pope John Paul II there is a complete departure from any outline: The line of alternation is interrupted because we are dealing with a pope who is both religious and political. At first sight it could be said that he is more religious, but if we keep in mind his Polish origin and his training (he was a student of the great politician and great fighter Cardinal Wyzynski), there is no doubt that Wojtyla is a political pope.

Not less important, then, is the fact that for the first time, after 450 years, we are dealing with a non-Italian pope, a pope who knew almost no one in the Christian Democratic Party. Andreotti himself, it seems to me, says he did not know him before and he recognizes that the election of a Polish pope for him represented a great surprise. The Turin speech must be seen in this framework. Precisely because he is foreign to the power game in Italy, Pope Wojtyla is perhaps destined to fuel Italian political polemics. I believe that John Paul II has corrected that sentence in his speech in which he attributes to Marxist doctrine the origin of terrorism precisely in the face of the reality of the hours he spent at Turin: If there is a city in which the Communist Party has paid very high tribute to the battles against terrorism, this is Turin and to establish such a mechanical connection between Marxism, communism and terrorism was inopportune. There remained however the comparison between laity and Marxism, which calls to mind the syllabus and the excommunications by Pope Ratti, with a simplification

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which, may I say without irreverence, would have been completely unknown to Pope Montini, who had a more complex and broader sense of modern history.

Andreotti: I believe there has been a different accentuation of political and religious aspects in the popes who succeeded each other in the last century, but without wishing to be lacking in respect either for Salvatorelli or Spadolini, I do not agree with such an overall outline. Certainly the personal history of the popes is important, as is the history of the Catholic community with its traditions, its religious values, religious not only in the sense of a cult, but religious in the sense of custom, of coherence. I believe that probably the fascination exercised by Pope Wojtyla, particularly upon the youth, is due to his being removed from contingent affairs. They feel the witness of what he has suffered, they feel he represents a mass that has not yet yielded, that has resisted, but they feel above all the essentiality of a guiding force. If this is true, it is not perhaps entirely correct to dwell on this or that speech. Among other things, I do not want to lack in respect for anyone, but I believe that when one makes many speeches in a day, probably one seeks the help of collaborators.

The pope certainly will review the speeches, he will give the inspiration, but the intensity of his work is such that it would not surprise me if there might have been a statement by some collaborator and not by the pope himself. It seems to me that the concept he wanted to express was a religious concept which had nothing polemical in it, a concept according to which, in his view, when certain principles of morality are abandoned, perhaps even of natural morality, and one indulges in materialism, then the consequence is social disintegration which can also include terroristic phenomena. If we take--and I believe that there the pope very carefully reviewed the texts--all the speeches he made during his visit to Poland, which are the most interesting from this point of view, I believe that there is an enormous balance.

IL MONDO: Perhaps we could end with a newsworthy question: The Concordat. Andreotti maintained that relations between church and state change with the changing times. How then could there be a solution to what today remains one of the major difficulties, that is the problem of religious education in the schools? Is it possible to separate teaching of "religious culture" entrusted to lay teachers, from the catechism itself, entrusted to priests, which could be optional?

Andreotti: I believe that the text of the reform of the Concordat through its various editions, after the debates both in Parliament and among political and cultural forces, would considerably satisfy the needs of all, Catholics as well as laymen. It was not by chance, on the Italian side, that it was drafted by Arturo Carlo Jemolo, Roberto Ago and Guido Gonella, persons whose sense of freedom and democracy cannot be questioned. It seems to me that progress was made even in regard to religious instruction. Certainly, what counts is also the ability to foresee its evolution in the direction of "history of religion" not of "catechism," but we must also say

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that great care must be taken because often, under the appearance of objectivity, there is a hostile position. In Norway, where there is a total of 15,000 Catholics, the Lutheran religion is taught in the schools because the very great majority of that population is Lutheran, but the Catholic children are counseled by the clergy and the families to stay in school when religion is taught because it is a teaching that is based on principles of the Bible which are valid for everyone.

Is it possible to arrive at something broader also in Italy? I believe that society is moving in this direction, and the essential thing is to have considerable intellectual honesty, that is, not to want to impose anything or to want to deal in contraband under an objective concept of something that instead is a different concept. Now I hope that a government that has a preestablished majority and knows that on this subject it has had many documents of incitement by Parliament can arrive quickly to a reform of the Concordat.

Spadolini: There is more than one problem to be solved: There is that of religious teaching and then there is that of the agencies. Limiting myself to the question of religious teaching, I would like to point out that the problem is not so much that of the usefulness of such teaching (which as Andreotti recalled is common to the Catholic and the Protestant world) as that of its optional character. In the formulas for revision of the Concordat, a request for dispensation is considered. But the lay world, or at least a large part of it, says that teaching must be requested and not the dispensation. Therefore it is difficult to make forecasts because linked to this entire question is the problem of relations between the public and the private schools. I believe it is necessary to find a solution that will fully respect the constitution and demonstrate the changes made on this point after so many years by the democratic forces, including the Catholics.

The doubt I have always had, even though I belong to a party which contributed to the revision, and is therefore not abrogationist, the doubt I have always had is that if a Concordat is not redrafted that is abreast of the times, at a certain point the Jemolo thesis will prevail, the other thesis, that of the tree with the dry leaves that fall one by one and the question will be resolved a little like the Roman question was solved. In 1915 no one any longer posed the problem of Rome as the capital of the pope. If this is the framework, I believe that there is still some distance to be traveled to arrive at a form of Concordat framework, which is very brief, with few words. If then there were to be profound clashes, I question whether the tree could not still lose leaves, whether we should not take a road that is very similar to that traveled by post-Franco Spain. That is, whether it is not more useful to count on a series of specific agreements rather than on a Concordat as traditionally understood.

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COUNTRY SECTION

ITALY

PSI'S CICCHITTO ON PARTY'S ECONOMIC POLICY

Milan IL MONDO in Italian May 80 pp 18-19

[Interview with Fabrizio Cicchitto, Head of PSI Economic Committee by Claudio Torneo: "This Is How To Improve the Economy"]

[Text] The PSI [Italian Socialist Party] is increasingly perplexed about the government's economic policy. It is considered vague, unspecific, exposed to a moderate regression. For several weeks members of the PSI Economic Committee, leaders and experts in the socialist area have been subjecting the government program to a careful critical examination. And they have arrived at the conclusion that, at least as far as economics is concerned, the protocols of Villa Madama (where the DC [Christian Democratic Party], PRI [Italian Republican Party], and the PSI agreed on the direction of planning) must be extensively revised, if not entirely rewritten. IL MONDO interviewed Fabrizio Cicchitto, head of the PSI Economic Committee. He is a prominent leader of the socialist left, and is notoriously critical of the present political system. Cicchitto refused to become a member of the new government despite the fact that they offered him the position of labor minister (or the State Participation Ministry).

Question: Why does the PSI Economic Committee take such a harsh position concerning the government program?

Answer: Our criticism is not partisan, but constructive. The government program was drafted in great haste at the last moment and after intense negotiations among very different positions. A redrafting of its content and political directions appears to be indispensable. Unless this is done, the very political balance on which the government rests risks rapid deterioration.

Question: But specifically what does not function in the government program?

Answer: The good results of 1979 must not be allowed to deceive. The heredity of the 1970s, during which the Italian economy continued to float on the crisis without anything being done to reverse the tendency, is rather problematical. The problems were made more acute by the scenario of low

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development that seems to be projected for the 1980s: When the rate of growth decreases, everything becomes more difficult. The tensions become more acute, the margins of mediation decrease and it is necessary to choose between different objectives according to rigorous criteria of priority. In a word, it is necessary to return to the planning policy.

Question: But hasn't every attempt at planning foundered among other things because of the vetos and taboos of the left and the trade unions? In this regard, the case of the sliding scale is symbolic...

Answer: Anyone who thinks he can solve problems by manipulating the sliding scale has not understood the structural significance of the crisis. The solution, as is obvious, is much more complex and requires a mix of short-, medium- and long-term aid efforts which are closely coordinated to avoid a situation in which the necessary control measures conflict with the objectives of restructurization and reform. Only thus will it be possible to escape the trap of the two phases.

Question: In what sense?

Answer: Italy has problems of inflation, unemployment and rehabilitation which need to be dealt with together on the front of the economic cycle as well as the structural front in order to arrive at a solution. The fight against inflation is not an alternative to the struggle against a probable drop in production in the second half of the year. At the same time, both concerns must not distract the government, Parliament and trade unions from defining those possible roads toward equilibrium which permit the Italian economy to gradually approach the productive systems of the more advanced nations.

Question: So far your objections have been concerned prevalently with method. What do you propose concerning merit? What must be done, for example, to control inflation?

Answer: In the short term the fight against inflation requires a careful dose of fiscal, monetary and labor policy measures. In this framework, the fiscalization of social costs, provided they are limited to the manufacturing industry, represents a valid move. Naturally it is always a matter of stopgap measures, the rehabilitation aspect must be dealt with above all on the structural level.

Question: With what objectives and what instruments?

Answer: Granted that it is necessary to rapidly take hold of the reform of public administration, the points of attack of a medium-term strategy are essentially three: Industrial policy, development of the south, reform of the labor market. The industrial incentive laws are now close to their expiration. This was an experience that must be carefully reconsidered. If we want to avoid a situation in which Italy slips increasingly lower in the international division of labor, industrial policy cannot be separated

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from a clear and practicable plan for development in the strategic and innovative sectors, from an organized plan of promotion and aid to business, from the reorganization of the State Participations Ministry.

Question: In industry, however, there is considerable room for efficiency. And even the best industrial policy in the world could not produce new employment.

Answer: Most unemployment is concentrated in the south, where the points of crisis also are very visible (for example, the chemical industry). Starting precisely with this analysis, the PSI asks that the labor agency considered in the government program be tried experimentally in the south. In our draft, the agency must have a double task: To provide for the active policy of labor, and at the same time to play the role of employer, temporarily employing the unemployed in socially useful jobs.

Question. But even with this kind of plan, don't we remain within the logic of aid?

Answer: No, if at the same time a concrete and realistic program of development for the south is started; if aid instruments are profoundly reorganized, from the fund [for the south] to credit; if we aim at an industrial plan outline that would concentrate new and high technology initiatives (telecommunications, electronics, alternative sources of energy, agricultural-food industry) mainly in the south.

Question: Has the Cossiga government the power and authority necessary to achieve such a demanding program?

Answer: The government can do some things, especially if it directs its efforts toward some essential points. But its action will be politically all the more productive the more it succeeds in serving as a bridge toward a solution of national unity. Only a grand social pact will make it possible to arrest the logic of demands based on one more to deal with the problem of redistribution of resources between the north and the between consumption and investment.

Question: The philosophy of the social pact, however, is in a state of crisis. The EUR [Trade Union Headquarters] line is under attack within the trade unions.

Answer: The EUR policy, understood as a gracious concession to the political picture, has failed, but it has not failed in its profoundest inspiration, that is, as a plan for a social and political pact. To be brutally clear, in the Italian case the economic-social problem, and the political problem are welded: There is no social pact without a political pact and vice versa. Overcoming the crisis presupposes innovation, reforms, but also rigorous respect for economic compatibility. But the reforms will not take place if the PCI and the PSI do not fight together to defeat the DC moderatism. And compatibility will fail if, considering the power of the PCI among the working class, the social pact with the trade unions is not guaranteed by a political pact in which the entire left is involved.

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