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2 July 1981

West Europe Report

(FOUO 31/81)



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WEST EUROPE REPORT

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ENERGY ECONOMICS

ITALY

COAL-FIRED, NUCLEAR PLANTS PLANNED FOR LOMBARDY

Milan CORRIERE DELLA SERA in Italian 2 Jun 81 p 20

[Article by Marco Garzonio]

[Text] "Unless we start immediately, industry will come to a halt in 3 years." When we hear speak of a candlelight future and of a gradual blackout capable of bringing industrial activity to a halt, our impression is that someone is trying to paint the situation "darker" than it really is, perhaps to press for decisions. Yet, listening yesterday morning at the "Pirellone" to the figures cited by the top officials of ENEL [National Electric Power Agency] was enough to dispel any thoughts of pleasant dreams. According to those figures, if the output of the electrical network remains the same as it is today, Lombardy's energy deficit within 10 years will rise from its current 26 percent to 36 percent. If the two plants now planned (a coal-fired one at Bastida Pancarana and a nuclear one in the Mantova Region) are built by then, the gap will of course be reduced, but only by some 6 percent. This is like saying that within 10 years Lombardy will in any case be "in the red" by about one-third of its energy requirement. Or that, unless new plants are planned quickly or alternative solutions are brought into being, the risk of our falling behind the productive evolution of our other European partners will become a material reality. This assumes that our aim is not directed toward "zero growth," which in reality means, in plain terms: a retrogression.

With the chilling precision made possible by the figures compiled through the most sophisticated survey and forecasting techniques, the experts have pinpointed the "black period" for energy in our region: the years between 1984 and 1987. To quote a comment--which to say the least was a bitter one--by an ENEL engineer yesterday morning in the corridors of the "Pirellone": "Let us hope another boom does not erupt over the next 3 to 4 years." In sum, faced by an eventual industrial "recovery," we would be unable to cope with it.

Virtually "everyone" was present in the Regional Council Hall, in the Piazza Duca d'Aosta skyscraper, yesterday morning, to apply the first bit of patchwork--5 years late--to the Lombard deficit. The solemn tone that marked the occasion even pushed into the background the polemic between the politically minded administration officials (who throughout the years have sacrificed our energy problems to equilibristic formulas) and the engineers (who throughout the same years have been content to play the role of "voices crying in the wilderness"). Sealing the new

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Above map by Dario Mellone shows the location of the future coal-fired electric power plant at Bastida Pancarana and the two locations being discussed for the nuclear one in the Mantova Region: Viadana and San Benedetto Po.

Key:

1. Coal-fired plant.
2. Depuration plant.
3. The nuclear plant will be built in one of these two zones.

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course, Francesco Corbellini, president of ENEL (flanked by Directors Bitetto, Faletti and Lizzeri and by General Manager Moretti) said: "What we are doing here is betting on direct dealings with the Region and the local Agencies, but we feel certain of winning our bet."

It is a creditworth opening to which the Region need respond in one way only, but an essential way: by maintaining its undertakings as to agreed deadlines. Because, since yesterday morning, it is all now in black and white: The statements of intent and the "programs" have actually been transcribed into a "protocol." And to this document, which will lead to a full and genuine "agreement" as well as a "Lombard energy plan," were affixed yesterday morning the signatures of Giuseppe Guzzetti (for the Regional Administration) and of Francesco Corbellini (for ENEL).

In the presence of the journalists, the president of the Regional Administration undertook (with him were also Regional Vice President Lodigiani, Speaker of the Assembly Marvelli, and Councillor Semenza) to give ENEL the go-ahead by the end of July for the construction of the coal-fired plant at Bastida Pancarana, in the province of Pavia. Engineer Corbellini, who in addition to being an engineer is also a person who has learned to deal with politicians, gave a pointed reply to one who asked him when the new plant would be going into operation: "It will take between 5 and 6 years: obviously, from the moment we actually receive the OK."

The scenario for the other plant--the nuclear one on the Po--is not unlike the one for the coal-fired one. Objectively, however, the situation in this case is different: Here it will not be enough to provide for depollution and elimination of waste, as at Bastida, to satisfy the population; the nuclear plant poses more complex problems of safety and more difficult relations with the citizenry. The evocative power of the term "nuclear" penetrates the boundaries of the deepest emotive layers, to the limits of irrationality. It is a taboo that will take years of of "informative campaigning" to dispel. Putting it to an odd new test, Guzzetti guaranteed that by the end of this year the Region and local Agencies will give a definitive answer as to their choice between the two locations currently being discussed. And Corbellini, with his usual prudence, added that within 9 to 10 years from that moment the plant will be put into operation. But the fact that the two potential nuclear locations being discussed "officially" are Viadana and San Benedetto Po was not brought out.

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ECONOMIC

UNITED KINGDOM

HEATH OUTLINES TASKS OF UK-JAPANESE COOPERATION

LD161129 London THE TIMES in English 16 Jun 81 p 12

[Article by Edward Heath: "The Message We Must Give Mr Suzuki"]

[Text] The visit to London of the Japanese prime minister, Mr Zenko Suzuki, which begins today, has received far less attention than last week's state visit of King Khalid of Saudi Arabia. Unfortunately, the increasing contribution which cooperation between Europe and Japan can make towards the maintenance of the worldwide interests both have in common is often ignored in the frenzy of bilateral trade disputes which have come to dominate the relationship. This is to be regretted for several reasons.

First, if bilateral trade issues remain the centrepiece of the relationship, it will become so demoralizing for both sides that the prospects for constructive partnership will be progressively eroded.

Second, much could be done to correct Japan's lopsided trade balance with Europe if greater emphasis were placed on other, more promising, aspects of their economic relationship, notably direct investment by Japan in Europe. This would help to reconcile Japan's understandable desire to preserve a reasonable share of the European market with our need to increase employment, boost exports and keep abreast of the newest techniques of management, production and marketing.

Experience has shown how successful Japanese direct investment in the United Kingdom can be. For example, the television factory set up by Sony at Bridgend in Wales now produces one quarter of all British television exports. In addition, it supplies to the United Kingdom market almost half as many television sets as we import directly from Japan, a fact which ensures for this country a considerable number of jobs and saves it a great deal of foreign exchange.

That this is a logical way to deal with major trade imbalances has already been demonstrated by the Americans back in the 1950s and 1960s. Indeed, it was only by massive United States investment in European subsidiaries--whose sales in 1968 totalled nearly four times the value of direct American exports of manufacturers to the EEC--that the growth of an unmanageable trade gap between the United States and the EEC was avoided.

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Thirdly, the failure to develop other areas of the Japanese-European relationship, apart from bilateral trade, is wasting opportunities for cooperation which could be of major importance to the political, economic, and strategic interests of both sides.

At the broadest level, a deeper partnership between Japan and Europe could take much of the strain off their respective relationships with the United States. If successful it would both increase their confidence and status vis-a-vis Washington and take some of the spotlight off their continuing dependence on its security guarantees.

Specifically, there are four main areas in which we need to seek closer cooperation with Japan: in the development of advanced technology; in the management of world monetary affairs; in diplomacy; and in the sphere of military strategy.

Cooperation in the development of advanced technology is particularly important where the United States is overwhelmingly dominant in the world market. Aerospace, computers and the creation of new and more efficient methods of generating energy are three areas where a vast amount of money, skill and time could be saved if only Europe and Japan would work together as partners rather than face each other as competitors.

Such cooperation would also demonstrate to public opinion the practical benefits of this partnership, just as the successful Airbus project has done inside the European community.

The management of the international monetary system increasingly requires close cooperation between Japan and Europe, which are together responsible for over 40 percent of world trade. Although cooperation between central bankers is already well advanced, this cannot be said for governments. It must be a prime task for them to coordinate the policies of the European monetary system with those of Japan and her South-East Asian partners. The joint management of the world's monetary arrangements by the major economic regions--Europe, the Far East and the U.S.--has become essential to the stability of the international currencies, which our investors and industrial managers so badly need.

Diplomatically, there is a great deal that Japan and Europe can do to help each other reduce the conspicuousness of their economic and political involvement in sensitive developing countries. For example, greater European cooperation with Japanese economic enterprise in Indonesia, Malaysia and other members of the Association of South-East Asian Nations (ASEAN), could help to reduce the visibility of the Japanese presence in these countries, and thereby enhance its acceptability in the eyes of local public opinion.

In the long term, this would be economically beneficial to both Europe and Japan; and it would help to cement their political ties with the ASEAN countries, none of which wants to be conspicuously identified with just one in particular of the advanced industrialized nations.

In the sphere of defence, it is becoming ever more important for Japan and Europe quietly to coordinate their views in the fields of military strategy and arms

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control within their own regions. Although they do not have any formal responsibility for each other's defence, the security of the Pacific and European theatres is increasingly linked; and the possible need for the United States to shift military equipment between Europe and the Far East in the event of a conflict in one of these regions makes it essential for Japan and Europe to agree on when and how this would need to be done. Any absence of agreement in the event of a crisis could profoundly endanger the long-term cohesion and security of the West as a whole.

However, it will not pay to put pressure on Japan substantially to increase her defence expenditure or to expand her military effort beyond her immediate perimeter. There is a deeply-rooted consensus against such policies across almost the entire political spectrum in Japan. To ignore it will bring only irritation to Japanese leaders and frustration to the Europeans.

It would make far more sense for us to press Japan to assume a more audacious diplomatic and economic role in the world, and particularly in South East Asia. Japan's discreet efforts to maintain communication between Peking and Hanoi at the time of China's "punishment" of Vietnam in 1979 showed how important she could be in helping to arrest a military conflict which was in danger of serious escalation.

For all their rhetoric about the interests and values, which they share, the leaders of Japan and Europe have so far done little to develop these avenues for constructive partnership. One reason for this is that they tend to see their respective relationships with the United States as an adequate basis on which to construct their foreign policies. New attitudes will not be easy to forge.

It would be a tragedy if they were only to follow upon a series of rude shocks to our expectations of America's ability and willingness to uphold our interests; or if they have to await a major crisis in the Japanese-European relationship, due to unbearable frictions in bilateral trade. They will certainly require many more high-level contacts, such as today's visit of the Japanese prime minister; for a growing network of communications at all levels is vital to the development of an effective political partnership between Europe and Japan.

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POLITICAL

INTERNATIONAL AFFAIRS

BRIEF LIFE SPAN SEEN FOR ITALY-MALTA NEUTRALITY ACCORD

Milan IL SOLE 24-ORE in Italian 23 May 81 p 15

[Article by Luciano Corsini]

[Text] Italy has made known the document that guarantees Malta's neutrality. Prime Minister Mintoff seems satisfied. But what the Maltese majority actually thinks has not yet been revealed. Two things are known however: First, the attitude of the Nationalist Party, that is, the opposition, toward the accord is one of strong reservations, if not of outright hostility, and secondly, because of this, it may be taken as a certainty that a big question mark remains in the middle of the Mediterranean.

"Mintoff," the nationalists warn, "is chaotically confusing the juridical meaning of the neutrality decision that has been agreed with Italy with the political meaning of 'nonalignment.' The first of these seriously compromises Maltese sovereignty."

In all of his statements, the prime minister constantly reiterates that he has now guaranteed Malta against attacks from either of the two major military blocs, when the fact is that the neutrality decision has a purely contingent function: The minority party's adversaries stigmatize it as "a defense against improbable Libyan attacks."

Why improbable attacks, when what we are witnessing on the part of Tripoli is an expansionist aim that renders Qadhafi a real and true imperialist? Is it possible that the Rais can be considered harmless by none other than Fenech Adami himself, and his followers, who for decades have courted Western civilization, sharing in its concerns and decisions?

Recent history is too well known to warrant going back over it again, as is also the friendship with Qadhafi's Libya which Mintoff elevated to the status of brotherliness--a choice that Mintoff had to clamorously repudiate in search of a safe shelter in the arms of the Western powers. A controversy over oil (which also involved the ENI [National Hydrocarbons Agency]) even evoked thoughts of the imminence of planned aggressions in the archipelago by the bellicose North African country. Actually nothing of the kind occurred, thanks largely to Italian diplomacy.

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The waltz step danced by Mintoff in Maltese foreign policy seemed destined to totally efface his domestic adversaries. The latter, however, far from letting themselves be eliminated from play, immediately occupied the positions that had been abandoned by the "government forces." Weaving a tight web of initiatives to which certain Western foreign offices cannot have been strangers, the Nationalist Party became Qadhafi's true Maltese interlocutor.

The trip made in April by Fenech Adami, accompanied by his second in command, Guido De Marco, and by the entire top leadership of the Nationalist Party, of which Adami is the undisputed leader, to Tripoli for meetings there at the summit level, passed completely unnoticed. Plans were actually laid there for the near future. In fact, 1982 could see the nationalists back in power in Malta, it being not too improbable that they will emerge the winners in the elections to be held before the end of this year.

The Maltese people have trouble understanding Mintoff's sudden about face, coming as it did on the heels of the incessant pro-Arabic pounding to which they had been subjected for almost a decade. But this is by no means the dominant aspect of the Labor Party's policy. There is something far more determinant to consider, and it has to do with the internal situation and with the cultural ambit of the archipelago. It involves certain political and social decisions that have characterized the Mintoff decade.

We refer in particular to the educational policy, which is the principal bone of contention between the government and the Church. And the significance of the Church in Malta is attested by the fact that one out of every 300 inhabitants born there becomes a priest, a reservoir, in sum, capable of supplying to some extent the shortage of vocations in our own country.

Many in Malta maintain that Mintoff was able to win the last two electoral rounds thanks to the neutrality of the Church, which was at that time headed by Monsignor Gonzi (the primate is now Archbishop Joseph Percieca). In exchange, however, he was compelled to declare the Church's assets untouchable. With the enactment of the law that institutes the gratuitousness of any and all scholastic orders, public or private, the hardest hit sector is undoubtedly that connected with the Curia, which reacted spiritedly, and it seems to us impossible that it will want to maintain its political neutrality. To this must be added the fact that the Church's interests were also hit by bringing the entire health care system under public management.

As things stand now, Mintoff can cast into the pan on his side of the balance some undeniable economic successes, improvements in social well-being, the resumption of oil exploration by AGIP [National Italian Oil Company], and his having lifted his country--which although tiny is highly important internationally--out of the colonial lurch. He will perhaps not be able to make much political capital out of his having linked it up again substantively with the West, the traditional strongpoint of his adversaries.

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It is difficult to predict at this early date who will be the future Maltese interlocutor for the implementation of the bilateral accord with Italy, because the nationalists will in all probability cast into the pan on their side of the balance their active alignment with the Church and a pro-Western credibility, strengthened by their accusation that Mintoff has sold out Malta's national independence through the terms and conditions of the accord just signed with our country. In addition, they will be able to capitalize on the results of their above-cited mission to Tripoli.

In this regard and to dispel any lingering doubts, some of the Nationalist Party's top leaders are affirming (in place of "old" Mintoff) that "Qadhafi is a highly respectable statesman and that many people misjudge him because they find him unlikable." And this may even gain for them the blessing of the Italian "Arabic Party." We have no doubt that if the Nationalist Party were to win the election it would be tempted to impugn what the present government has signed. We will know in a few months.

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

SPD'S GLOTZ ON LOSS IN BERLIN, LEADERSHIP PROBLEMS

Hamburg DER STERN in German 21 May 81 pp 200, 202

/Interview with SPD federal executive secretary Peter Glotz by STERN editors Wolfram Bortfeldt, Werner Heilemann and Peter Pragal: "We Have Committed Mistakes" /

/SPD federal executive secretary Peter Glotz explains why his party has plunged in the opinion polls, and why it is losing followers, especially in large cities and among young citizens.

/Question / If Bundestag elections were to be held now, the SPD would drop to 33 per cent of the vote. The government is receiving poor grades. Is Helmut Schmidt responsible for this precipitous decline?

/Answer / He is not. A neoconservative wave is flooding many countries of the Western World. Mitterand is the first symptom of a countermovement. Office holders are being swept out all over the place; remember Carter. It is currently very difficult indeed to get the public to appreciate the compelling necessities to which government is subjected.

/Question / Surely that is the fault of the office holders. After all, the voters have not gotten more stupid.

/Answer / Two factors make current politics immensely difficult. One is the international economic situation which does not exactly arouse enthusiasm. The other is foreign policy which is overshadowed by fear of crises. Many SPD followers are irritated by the delaying tactics of the new American Administration, in particular with regard to disarmament.

/Question / Still, none of that explains the dramatic loss of public support.

/Answer / At a meeting in the course of the Berlin election campaign I spoke about Berlin in the year 2001. After 10 minutes the audience ceased to listen. They were interested only in the preservation of peace. The SPD was much too late in turning its attention to the discussion of peace and the overwhelming fears of many people.

/Question / By now thousands of Social Democrats have signed communist inspired disarmament appeals. Do you intend to institute expulsion procedures against all of them?

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Answer Of course not. The SPD will have to become more actively involved in this peace movement and thereby free Social Democrats from the presumed necessity of signing DKP instigated appeals. We must demonstrate--in historical and topical terms--that the SPD is itself an effective movement for peace. Here the party leadership has been at fault up to now.

Question Do you really believe by these means to regain the adherence to the SPD of the disaffected young?

Answer Discussion must be out in the open. We will not quickly persuade anybody that the NATO double resolution was right. That is something we will have to live with. On the other hand security cannot be achieved merely by throwing away all weapons. The prevention of war can be advanced only by complex steps and in cooperation with major organizations, such as the trade unions and the SPD.

Question Are you telling us that the SPD gains credibility by expelling from the party such critics of the double resolution as Bundestag deputy Hansen?

Answer Nobody should be expelled from the party for opposing the double resolution. However, Hansen conducted the debate with his comrades in such a manner that he obviously no longer considered himself one of them.

Question Is not the party so much preoccupied with its internal situation and so much at odds about issues that the majority of citizens feel them no longer electible?

Answer We have been too little concerned with the anxieties of the citizens, as for example in Berlin. Also, on behalf of the federal SPD, I must say that a year without election campaigns, without actual political compulsions, tends to get us into trouble. That happened in 1973, and it is happening again in 1981. Obviously a party such as the SPD is poorly equipped to wait.

Question Surely the SPD is in a cleft stick. On the one hand its young and critical voters are drifting away. On the other it scares off the middle class voters without whom it cannot maintain its ability to govern.

Answer You are quite right. In Berlin people ran off not in one but in two directions. Once we are in the hole it is no longer possible by sudden and momentary affects to gain a few percentage points from the one or the other side. The only recourse there is to carry on the policies judged to be correct, champion them credibly and try to remove the causes of the problems.

Question What exactly does that mean for Berlin, for example?

Answer Many problems in Berlin are caused by the rotting of various residential blocks, by an ill-considered aliens policy or the insensitive exercise of power by many senior comrades. At the same time it is surely wrong to believe that voter loyalty can be gained by opportunist behavior--for instance by flaunting nightsticks.

Question What is your prescription for dealing with Green and Alternative voters?

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/Answer/ At this time more than 30 percent of those in the 18-23 age groups are opting for the Greens federation-wide. The background to this phenomenon is built-up anger about the lack of credibility of established politicians. As the CDU has failed to provide a proper opposition, many young people are opting for an alternative culture. We will have to demonstrate at a few points first of all that we listen and secondly that we are prepared to change some things, in other words that politics do in fact work, and that the dialogue does lead to definite happenings.

/Question/ Still, that will work only when party and Federal Government pull together.

/Answer/ Of course. However, the party is bound always to be a few paces ahead of a coalition government. On the other hand these paces ahead should amount to 15 rather than 1,000, because in the latter case it begins to look as if they were not in the same camp at all.

/Question/ Once upon a time the SPD strongholds were in the large cities. Now it tends to lose them precisely there. Did the party commit so many mistakes in the cities?

/Answer/ I cannot dispute that we are guilty of some omissions. Still, you must take into consideration the burdens the SPD had to shoulder. Let us consider the issue of aliens. Obviously they do not move to the elegant districts where CDU core voters reside; they move to working class districts where housing is cheapest. What happens then? The stronger social strata, including skilled workers, flee to the suburbs. Those who stay are seniors and the socially disadvantaged who, pushed aside, begin to nurse hatred for the strangers and stop going to the polls. And that directly affects the SPD potential. We simply have no short term solution. The so-called integration policies are unfortunately most inadequate. It is therefore not just the stupidity of social democracy but also a little the course of the class conflict, which more adversely affects the factor work and, therefore, the SPD.

/Question/ Your party has about 1 million members. However, many local officials lack the necessary credibility and awareness of immediate problems.

/Answer/ Admitted. As all other parties we have too many officials who are interested only in climbing one step at a time, one salary grade at a time, and who have ceased to represent our real intentions. We do need credible representatives both of the skilled workers and the new middle class.

/Question/ That is easy to say, but how do you do that in a party which gives the impression that its functionaries tend mainly to be careerists?

/Answer/ Nonsense! There are hundreds of thousands involved in the SPD, who are totally uninterested in political office. To achieve political success we will have to arouse the enthusiasm of as many of them as possible. This kind of political culture, to live together, dispute together and celebrate together, has tended to be disregarded by social democracy. The old subculture of society became obsolete. We failed to put anything new in its place and instead fled into society. That, certainly, was a big mistake.

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Question A few years ago five federal Laender had a social-liberal coalition. The only one now left is Hessen. Does not this trend work against the coalition in Bonn also?

Answer First of all we won absolute majorities in Hamburg and North Rhine-Westphalia. You cannot expect me to regret that. Secondly the loss of the majority in Berlin is of course going to present a psychological difficulty for Bonn politics. On the other hand, at federal level cooperation between the heads of the FDP and the SPD is good. Admittedly, some developments in the Laender will bear a good deal of scrutiny.

Question Your double job in Berlin and Bonn was designed to be temporary. Will you soon resign from the Berlin Land chairmanship?

Answer I will resign but cannot exactly tell you when. I would like to see Hans-Jochen Vogel occupy my chair. He, though, is in some doubt whether to do that. I am not certain yet whether it will be possible to persuade him.

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POLITICAL

ITALY

PCI'S INGRAO CALLS FOR DIALOG WITH EUROPEAN SOCIALISTS

Milan PANORAMA in Italian 1 Jun 81 pp 76-81

[Interview with Pietro Ingrao, one of the recent historic PCI leaders, by Fabrizio Coisson, of PANORAMA; date and place not given: "Ingrao Welcomes the Unorthodox"]

[Text] In this interview Pietro Ingrao, one of the recent historic leaders of the PCI, initiates a dialog with European social democracies--a significant signal that could be the forerunner of new choices for the Italian Communist Party and a change in strategy.

Pietro Ingrao and social democracy--an approach that startles those who were accustomed to facile labels ("Ingrao, you are our Mao" was the slogan of the young communist followers of a few years ago). "And instead it would really be absurd to speak of a left in Europe while ignoring the social democracies." Convinced on the contrary that in this realm the PCI must make up for a great deal of lost time, Ingrao, as president of the Research Center for State Reform (CIRS), promoted a series of meetings on the social democracies, and invited scholars and political representatives from various countries. The first meeting will be with Sweden, on Friday, 29 May; then, with Germany, and England.

Ingrao is used to anticipating the choices of the PCI. He was the first, in November 1980, to express doubts concerning "the prospects of the policy of national solidarity." This was harshly disputed by top level communists; and yet 15 days later the same PCI top level group gave up that policy in order to launch the line of a democratic alternative (Ingrao prefers to be cautious concerning this episode. "From debates in the central committee of the party comes public information. Everyone can judge for himself. Why ask me for an opinion? In this instance I am directly concerned in the matter, and therefore a suspect source.") PANORAMA asked Ingrao, himself, what was behind his work with respect to the social democracies. This conversation took place the day after the triumph of the no's in the referendum on abortion, and which thus could begin only with a reflection on the vote.

Question: A vote that has to do only with Italy, or which, according to you, is of significance for all of Europe?

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Answer: There is a more immediate, more obvious, and also more particularly Italian aspect. The rebellion of many voters, including believers, against a return of clerical statism and against the arrogance and the lightness with which the clerical crusaders (and also the radicals) have treated a delicate and difficult subject. It is strong proof of a common lay sense that is spreading, that goes beyond the boundaries of our country. The confirmation that there has been a change in the attitude of women on basic questions of everyday living. That is, half of the human race is beginning to think of its existence in a drastically different manner; and it is beginning to involve the male world in this change.

Question: How?

Answer: Specifically, an age-old notion of the relationship between sexuality and procreation is waning; a more complex viewpoint of motherhood and fatherhood is being put forward. To put it plainly: the meaning, and what it involves, of having children is changing--and what children are, what this word means, the problems it involves. These questions go beyond party and class boundaries. Changes have taken place. Whether one likes it or not, 1968, to use a symbol, is not a dead dog. The serious error of the ecclesiastic hierarchy...

Question: Might one say the error of Pope Wojtyla?

Answer: I do not know. One would have to know how the affair went. I was saying: the serious error of the ecclesiastic hierarchy is to have believed that these changes did not exist or that they were an ephemeral gust of wind. Pope Roncalli reasoned otherwise; if I am not mistaken, he appealed to the ecclesiastic community to pace itself precisely according to these kinds of changes.

Question: In short, has the change in customs, already manifested by the referendum on divorce, been extended?

Answer: Instead, I would point out the difference. In the case of divorce, one could also speak of an adaptation on the part of Italy to customs already prevalent in the West. In the case of abortion, on the other hand, it is a question of an unresolved and controversial subject throughout the world, having to do specifically with the relationship between sex and procreation. Entire continents and age-old labels have been summoned to reckon with these things. That is why it seems to me that the Italian vote said something that goes beyond our boundaries.

Question: The referendum in Italy, the victory of Mitterrand in France: bringing all of this to the immediate political level, does it mean that the rightist wind that had led to the defeat of the Labourites in Great Britain and of the social democrats in Sweden no longer blows over Europe?

Answer: I say that the crisis that we are experiencing cannot be solved by taking old formulas out of the closet. The right is also experiencing it. Mrs Thatcher

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tried it; it seemed that it should have been an easy victory; instead she is beginning to be defeated. Even the more subtle and refined Giscard did not last. As for the new American leadership, we shall see. We are only at the beginning. In short, there is a struggle. And the labor movement and the people are not only resisting in this struggle, but are also succeeding in advancing. Look at Mitterrand. I insist on an opinion of mine: no force can remain still; everything is in motion. Therefore the most mistaken thing is to think of living on a revenue from what already exists.

Question: If the rightist wave in Europe did not succeed in being predominant, it is also true that the left does not have a formula...

Answer: The European left today is a polymorphous body, marked by conflicts, but also by approximations on points which in the past caused historic ruptures. It has paid for delays and inadequacies. But there is little use in complaining. What counts is how one starts again in the struggle, through common analysis, defending ourselves on certain grounds and initiating a counteroffensive against others, always looking beyond the boundaries of every single country. I say these things also to explain the meaning of our attempt to compare the various components of the left in Europe. One must start precisely from the ascertainment of the pluralism of the ideas of the left, from the fact that there is not just one model, that laborism is different from German social democracy that this is different from Mitterrand's socialist party. Animated discussions are taking place in connection with all of these experiences. We communists have long recognized the importance of pluralism in the Italian left. Why should we deny it in Europe?

Question: In reality up to now the PCI had rejected the validity of the social-democratic experience, accusing it in substance of not having succeeded in overcoming capitalism.

Answer: This is not an accusation; it is an ascertainment. And it is interesting that it is precisely on these structural choices of a system that the debate among the socialist and social democratic parties has been reopened. It would be strange if we communists in particular, in the face of such a deep crisis, should now attenuate the criticism of the capitalistic society.

Question: You cannot deny, however, that for a long time the mere word "social-democracy" was like blasphemy...

Answer: It is true that in the international communist movement there has been a great sectarian error in the appraisal and even in the knowledge of the experiences realized by social democratic governments in certain Western countries. We Italian communists have resisted this sectarianism, and we have often been reproached for this by the international communist movement. But there has also been a serious delay on our part with respect to the study of the significance and of the results

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of that "compromise" between the labor movement and capitalism that has brought about considerable social conquests and also redistributions of power in a series of capitalist countries.

Question: But you now say that this "compromise" is in a state of crisis. And therefore some, like the Craxi socialists, accuse you of once more underestimating these models.

Answer: I really hope that those who criticize us will participate fully in our meetings. But perhaps from the very things that foreign reporters will tell us will come the proof that these countries and these parties are discussing the end of that "compromise," and that new paths will be sought. In any case, what counts is a confrontation of facts.

Question: Another current objection: the history of the communist party is too different from that of the European socialist parties.

Answer: It would be time to seriously examine what the PCI has taken from Leninism and what it has changed in Leninism. I am not thinking only of Gramsci. The "new party" that Togliatti wanted was already tending to incorporate elements of the Western socialist tradition; and it suggested a complete strategy of a union of democratic and revolutionary forces. And why not emphasize how much we have learned and assimilated also from certain currents of trade unionism and of the Catholic movement? I am not at all ashamed of this. I say instead that the revolutionary force of the workers party lies in its capacity to add innovative energies that are not in its ranks. We must know how to do this even more.

Question: Does it mean that the PCI is rapidly becoming a social democratic party, like the German SPD?

Answer: We did not copy the Stalinist party model, nor will we copy the German social democratic party model--for the simple reason that neither the one nor the other corresponds to our strategy for change in the capitalist society and for the image of socialism for which we fight. But they, themselves, are discussing their nature, their choices: therefore why copy this person or that thing when everyone is searching? So: in the meantime we want to know and to discuss these problems.

Question: And the USSR? Does it not view so much interest in the social democracies with a certain amount of suspicion? Another communist party, the Spanish one, experienced, at least for a while, the consequences of the victory of the pro-Soviet wing in the PC congress in Catalonia. Do not these kinds of risks exist also for the PCI?

Answer: First: The USSR as a state and the CPSU [Communist Party of the Soviet Union] as a party have had, and have, very intense relations with socialdemocratic governments and the leaders of these parties. I do not see why it should be a sin for us to discuss with scholars like Walter Korpi or Klaus Offe when the USSR discusses with Chancellor Schmidt. Second: It should be time to get rid of the

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idea that to discuss and to compare ideas means agreement. The unity of the left will never be achieved on this basis: because if a European monolithic and uniform left ever did exist in the past, it certainly today is no longer thinkable. Third: The PCI is a completely autonomous party. We determine our line and we do not let it be imposed or suggested by the East or the West, by the North or the South. And we are not at all afraid of the political struggle. Is that clear?

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POLITICAL

ITALY

SURVEY OF PCI OPINION ON GOVERNMENT FORMULAS

Milan IL MONDO in Italian 1 May 81 pp 17-19

[Article by Paolo Passarini: "Forced Change"]

[Text] A survey that IL MONDO publishes as a preview reveals that rank and file displeasure forced Berlinguer to abandon the historical compromise.

The earthquake that leveled Irpinia in November 1980 was the opportunity for the emergence of the communist [party line] shift of 27 November only 22 days before a party Central committee meeting when Secretary Enrico Berlinguer had peremptorily reaffirmed the line of national unity. What was behind the shift? How had the body of the PCI reacted on the 30th year of DC majorities? Two young sociologists, Marzio Barbagli and Piergiorgio Corbetta, have conducted a survey on behalf of the Carlo Cattaneo Institute of Bologna. It supplies some answers to these questions. The results of the survey, which will be published in the next issue of the magazine IL MULINO, shows clearly that in the period from August to October 1980, that is, before the shift was decreed, the PCI section secretaries had anticipated it with a clear shift in direction.

The Subject

First of all: Who are the section secretaries? The PCI organization, which consists of about 12,000 groups (each with less than 20 members) and actual sections. There is an equal number of section secretaries, a stratum of traditionally more orthodox militants drawn from the broad band of membership (compare the first two columns of Table 1), even though in general they follow the line less strictly than the smaller elite group of officials. The large majority of actual leaders is found within the latter group. In 1978, Barbagli and Corbetta had approached 1,060 section secretaries representing the entire nation and asked them a series of questions. Two years later a panel was set up to re-interview a sample of 250 among those interviewed in the first phase. This provided a check on the evolution of their opinions. Here are the results.

Which Government?

Formulas like PCI plus PSI [Italian Socialist Party] plus DC [Christian Democratic Party] or a government of national unity seem to have declined considerably in popularity (see columns 2 and 3 of Table 1). In 1978, 99 percent of the

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Table 1. Which Government?
Attitudes and Forecasts Regarding Government Formulas of
Members (1978) and Section Secretaries (1978 and 1980)

	<u>Members</u>	<u>Section secretaries</u>	
	<u>(1978)</u>	<u>(1978)</u>	<u>(1980)</u>
Government believed "more suitable, more possible, more achievable"			
PCI + PSI + DC	31	20	22
Government of national unity	47	79	69
Government of the left	13	--	8
Government with only PCI	5	--	--
Dictatorship of the proletariat	1	--	--
No answer	3	1	1
Total	100	100	100
"Preferred" government			
PCI + PSI + DC	12	36	28
Government of national unity	10	12	10
Government of the left	31	27	45
Government with only PCI	37	4	2
Dictatorship of the proletariat	8	19	10
No answer	2	2	5
Total	100	100	100
Forecasts on position of PCI in 5 years			
In coalition governments with DC	50	72	35
In the opposition	5	7	30
In a government of the left	37	10	17
Governing by itself	2	--	1
In a clandestine operation (through a coup)	1	--	--
Other	--	5	5
No answer	5	6	12
Total	100	100	100

secretaries had considered these two formulas to be about equal in terms of a "most suitable, most possible, most achievable government." This figure fell to 80 percent, and 8 percent appeared more convinced of the practicality of a "government of the left" (and it is worth repeating that the shift had not yet taken place). But the data are much more explicit under the heading "preferred government": 45 percent of the secretaries favor a government of the left (against 27 percent in 1978), while the historical compromise formulas further

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lose ground (10 points less). The answer is given under the heading "forecasts of the PCI position in 5 years" are still more significant: Only 35 percent of the secretaries see the PCI "in a coalition government with the DC" in the near future, while others see it either in the opposition (30 percent) or in a government of the left (17 percent). The authors of the survey note that the obvious decline of prospects for a government with the DC is accompanied by slippage within the party membership: The number of those who give no answer increases as does the spread of hypotheses considered. The historical compromise loses ground, but uncertainty increases.

Concerning the historical compromise strategy, it is interesting to note that PCI militants with a Catholic background (that is those who became communist "by conversion," as Barbagli and Corbetta say) were much more favorable in 1978 than were the "traditional" communists. The decline of the historical compromise acquires greater importance considering that the former show an increase compared with the latter (it is sufficient to reflect that compared with the 1950's, the percentage of secretaries with FGCI [Italian Communist Youth Federation] experience has dropped from 60 to 30 percent), the decline of the historical compromise seems still more important. At the same time, the authors of the survey had noted since 1978 a "cumulative effect" between the two data: that from the Catholic source and that from areas governed by councils with PCI participation (see Table 2): If the communists with a Catholic background are by tendency more inclined than the others toward unity in regard to the DC, the communists who are used to being in the majority in the places where they live are in general more inclined toward unity than the others. The conclusion can be drawn that it is precisely in these two bands (in addition to that of functionaries) that it is necessary to look for the militants most disoriented by the 27 November 1980 shift.

Table 2. Yes or No to Compromise

Percentage of Section Secretaries Opposing, or Partially Against, (in 1978) the Historical Compromise, According to Area, Kind of Community Council at Place of Residence, and According to Whether, as Youths, They Attended Parish Church

	North	Center	South	Italy
	[figures in percent]			
Leftist council in community of residence				
--Went to church	26	36	30	33
--Did not go to church	37	34	32	35
PCI in opposition in community of residence				
--Went to church	45	59	39	43
--Did not go to church	65	43	43	52

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Friends and Enemies

In 1978 the PCI section secretaries considered that the party "closest to them" was the PDUP [Proletarian Unity Party] (37 percent) along with the PSI (26 percent). Esteem for the PDUP among PCI members almost doubled 2 years later, jumping to 69 percent, while the PSI dropped rather sharply to 15 percent (see Table 3). In a limited way, it is curious to see the unpleasant drop in popularity of the PRI [Italian Republican Party] the classical hinge-party of national unity (from 4 percent to 1 percent). The DC, which in 1978 was considered the "most distant" party by 26 percent of those interviewed (Lotta Continua [Continuing Struggle] and radicals together totaled 31 percent), in 1980 no longer has any rival under the heading of unpopularity and 54 percent of the secretaries consider it the most distant party (Lotta Continua and radicals maintain a considerable 32 percent of dislike). The number of those interviewed who gave no replies dropped sharply from 1970 to 1980. Perhaps this was a sign that the choice of friends and enemies became much sharper.

Table 3. Friends and Enemies
Party Considered Closest and Party Considered Furthest Away
(Among Those Shown) From Section Secretaries in 1978 and 1980

	Party closest		Party furthest away	
	1978	1980	1978	1980
Proletarian Democracy	2	3	2	2
Lotta Continua	--	--	19	32
Radicals	--	--	12	
PDUP	37	69	--	--
PSI	26	15	--	--
PRI	4	1	1	--
DC	--	1	26	54
PSDI	--	--	6	6
No answer	31	11	34	6
Totals	100	100	100	100

There are other data that refer to the DC and, more in general, to the strategy of the historical compromise. In a round table published in RINASCITA in January 1975 (and later on other occasions), Pietro Ingrao maintained that the historical compromise would have caused "real ruptures" within the DC. The PCI leaders in general considered this a heterodox approach. The section secretaries were asked to give an opinion on this point, too: 39 percent said they "completely agreed" with Ingrao's approach (22 percent in 1978) and 43 percent "merely agreed" (44 percent in 1978). The dream of drawing out the "popular soul" of the DC or that of "changing its nature" has almost entirely vanished. Eight section secretaries in 10 have given it up.

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An End to Sacrifice

In a famous interview in LA REPUBBLICA in 1978, Luciano Lama said: "Wage policy in coming years must be very carefully controlled, the improvements that can be demanded must be spread out over 3 years in collective contracts, the entire mechanism of the supplementary aid fund must be reviewed from top to bottom." And Giorgio Napolitano, invited party militants at the seventh PCI workers' conference, to "limit wage demands and increases." The line of austerity was at its peak of popularity and, overall, in 1978 the PCI rank and file accepted this position as is testified by the Barbagli and Corbetta survey (even though in the south the policy of wage limits met some opposition). Only 2 years later however the situation was reversed. To the question: "Do you believe that in the coming contract negotiations the workers should limit their demands for wage increases?" Sixty-six percent of the section secretaries responded with a flat "no" in 1980 (14 percent in 1978). Replies favoring restrictions dropped from 35 percent to 9 percent.

Party Machine Running Roughly

At the beginning of the 1970's, the PCI machine speeded up prodigiously: Membership increased, meetings and projects were more frequent, participation increased. The year 1976 represented the "point of major change." From that year there was a slow decline but, for the 2 years of the Barbagli and Corbetta survey, there was a further weakening of participation within the PCI. The average number of hours dedicated to the party by section secretaries dropped by about 10 percent (from a weekly average of 12.9 to 11.7 hours). Some work committees (particularly school and women committees) are deteriorating. The executive committees, above all the most active, make their meetings less frequent. But above all the section secretaries who report political fatigue complain that they are between the hammer (the leaders) and a hard place (the rank and file). Berlinguer was the first creator of the historical compromise and later the superman of the party line change. He unquestionably had this situation in mind last November. And even if the party line change had been a sudden summit decision, it seems to have been a response to a widespread party demand. To the point that Barbagli and Corbetta conclude: "Used for a long time to feeling the rank and file pulse, to scrutinizing and analyzing through investigations the consensus of the membership and the degree of militant commitment, the communist leaders have always had a fairly precise picture of what happened and what was happening on various party levels. And if it decided to change its political line it is also because it saw this picture clearly, because it knew that it could not continue for long periodically, and always more wearily, to repeat the validity of the old line, to stretch things out further, without in a short time losing that heritage of experience and energies that it had accumulated so well in the 1970's."

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POLITICAL

ITALY

REVIEW OF CRAXI-BERLINGUER CONFLICTS

Milan IL MONDO in Italian 8 May 81 pp 12-14

[Article by Paolo Passarini: "Two Different Men"]

[Text] Craxi is an empiricist and ridicules those who cry about the emergency; Berlinguer is an ideologist and believes in the values of austerity. Before the PSI Congress the two had not spoken for 2 years. Yet, at Palermo...

The last time they spoke was on 20 September 1979 at a meeting between the communist and socialist summits but that meeting did not dissipate reciprocal distrust. Then, for many months, their paths crossed at a distance in Montecitorio [Parliament] or at state funerals. And even on Thursday 23 April, following the conclusion of his salute to the Palermo Socialist Congress, PCI Secretary Enrico Berlinguer, perhaps surprised by the unexpected leading from the platform. Bettino Craxi had to chase him and call him in order to shake his hand.

Then, while the PCI secretary took his place between Achille Occhetto and Armando Cossutta in the section reserved for delegations, the metal roof of the Mediterranean Fair vibrated with the whistling [denoting disapproval] that accompanied the appearance of DC Secretary Flaminio Piccoli. And while Piccoli shuffled along, Craxi's men commented: "Well, this Berlinguer is capable." And Berlinguer was saying to Occhetto: "Well, these socialists are all right." The next day, Assistant Editor Claudio Petruccioli wrote in L'UNITA, "We want to say without wasting words...the meeting at Palermo was the congress of a party of the Italian Left that wants to be an essential part of the tradition and reality of the Left."

And thus, "Without wasting words," Petruccioli, with the approval of Berlinguer who was seated near him at the Palermo Congress, had nullified the main prejudice of the communists regarding the "new PSI." In fact, during the debate in the Chamber on the confidence vote regarding the Forlani government, it was Berlinguer himself who described Craxi's policy as "a variant of the Christian Democratic power system."

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What does all this mean? That the two main parties of the Italian Left have decided to erase a near and distant past of rivalry, conflict and polemics to join again on the single road of the workers movement tradition? That what Giacomo Mancini has described as the "curse" that afflicts relations between the PCI and PSI has finally been lifted? Or that, at least, a cure capable of containing it has been found?

Judging by facts, an affirmative reply to these questions seems premature at the least. The curse showed some signs of its devastating action even at Palermo. This was seen when Claudio Martelli spoke. He started out by advising the communists to take a conservative road (a socialist presidency within a few months as a step toward the later participation of the PCI in the government), had the reverse effect of irritating Berlinguer and his comrades beyond measure. So much so that San Tullio Vecchietti, a member of the communist delegation, commented, "Martelli's speech made me young again. Have we gone back to the years of the church of silence?"

Another manifestation of the curse was seen at the end of the congress. After having listened to Craxi's conclusions, Occhetto, who is considered one of the communists most open toward the PSI, said rather brutally in a Palermo square that "there are things in Craxi's report that we would not accept as a basis for a government even with a communist president." There was a harsh reply by Rino Formica and a new incident.

One thing remains to be noted: "During the week of the Palermo Congress, the diagram of conflict between socialists and communists showed the high and low points of someone suffering from sinusitis, while until a week ago this could be described as an arrow rising in a straight line," according to a delegate to the congress. In short, better the highs and lows than an unstoppable tendency toward conflict. And the fact that Berlinguer and Craxi met directly at Palermo certainly favored this change in trend.

It has been known for some time that relations between the two leaders of the Italian Left were not the best. Craxi never made a mystery to his collaborators that he considered the presence of a man like Berlinguer at the head of the PCI a great obstacle to the resumption of a relationship of unity between the two parties. And if Craxi read in L'UNITA (he himself recalled this in the conclusions of the Palermo Congress) the accusation of "marionettismo," [could be "marionettismo," like a marionette; or being like G.B. Marino, a 16th century writer noted for his somewhat euphemistic literary style], someone certainly told him that members of Berlinguer's staff attributed the characteristics of Mussolini to him (and Craxi recalled this, too, in his conclusions).

Craxi is an empirical politician who hinges his policies on a few clear points to which he remains loyal (independence from the PCI, competition with the DC [Christian Democratic Party], making the PSI the most important party of the Left, opposition to any rebirth of bi-polarism). However, he reserves for himself great freedom of movement on the tactical plane so that he is accused of being too even-handed. Berlinguer prefers organized conceptual constructs,

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always justifies tactical moves by complex strategic references and he therefore moves more slowly; every time the PCI came to grips with the DC, the historical compromise was put into discussion or redefined. In fact, in the years of national solidarity, the ruptures of 1978 and 1979 were explained by emphasizing the aspect of conflict with the DC that the formula of historical compromise contained. However, in order to justify the abstention from the single-party government of Giulio Andreotti in 1976, the accent was put on contact with the DC as the fundamental premise of the historical compromise. Finally, the definitive passage of the PCI to the opposition in 1979 ripened a new strategy, the democratic alternative, which from time to time is considered either a new strategy or a tactical variant of historical compromise. In reference to Craxi, Berlinguer feels a little bit like the Invincible Armada faced by the English brigantines.

Craxi manifests optimism regarding the Italian economic-social situation, he ridicules those who "cry over the emergency," he lets it be understood that he believes that well-being coincides with an increase in private consumption in addition to the orderly administration of institutions. Berlinguer fears that Italy could from one minute to the next plunge into the abyss, warns against "barbarism" always lying in wait, believes that the supreme ideal of humanity is identified with an austere and frugal life. Craxi speaks of the freedom of men who reason with "their own heads." Berlinguer prefers to speak of peace and democratic participation. Craxi preferably becomes immersed in his historical references to the years of the unified state and of the Risorgimento. Berlinguer almost always, instead, refers to the horrors of fascism and the redemption provided by the resistance. Craxi likes Giuseppe Garibaldi who, with some occasional inconsistency, was a terrible enemy of the priests; Berlinguer always quotes Palmiro Togliatti and his Bergamo speech on "the destinies of man." That speech was the basis for the PCI opening to the Catholics, in addition to being a warning to seek peace in the face of the growing threat of an atomic war. Craxi is fundamentally extrovert and communicates the feeling of rage controlled with difficulty. Berlinguer is reserved, patient and tormented. Craxi cultivates numerous public relations. Berlinguer sees only party friends and comrades. Craxi often indulges in personalities while Berlinguer, in almost 10 years of leading the party, did it publicly only once following the 1979 elections. He said that if someone had raised the problem of his resignation, he would not have fought to retain a position he had done nothing to obtain. There is no doubt that they are two very different personalities, but above all they are inspired by completely opposite political plans. Berlinguer believes, as did Aldo Moro in his later period, that the Italian political system must in the end produce an alternation between the two blocs, the Christian democratic and the communist. Craxi drives toward an alternation between the DC and a "majority of progress," within which the PCI would function as a small appendix of a large socialist party. Berlinguer so far has thought of achieving his plan by taking advantage of the more progressive part of the DC. And today no one responds. Craxi prefers to act alone in a corsair war, finding support in various places.

Both these plans, which conflict, are far from being achieved (Craxi is still too weak, Berlinguer too isolated). But the fact remains that at Palermo, after having read Craxi's report and considered it bad, Berlinguer made a speech which

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brought the parties closer rather than moving them further apart. And the fact remains that in Plaermo Craxi emphasized his polemics against the DC, pulled the ears of the Forlani government and made statements of personal appreciation for Berlinguer's qualities after having denied Berlinguer his immediate support for PCI participation in government.

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MILITARY

INTERNATIONAL AFFAIRS

SPANISH, PORTUGUESE MILITARY INDUSTRY, WEAPONS PRODUCTION FIRMS

Paris LA PENINSULE LUSO-IBERIQUE in French 1980 (signed to press 3d quarter of 1980) pp 55-62, 213-214

[Text of Chapter 1 ("List of Military Industries in Spain and Portugal") of Part 2 ("Political and Economic Stakes in Military Cooperation") from the book "The Luso-Iberian Peninsula" by Alberto Santos, National Defense Studies Foundation, Journal No 18 supplement to Paris STRATEGIQUE in French No 8, 4th quarter 1980) 235 pp]

[Text] Spain, just like Portugal, is a country which has a long history of military industry, but it was only after World War II and more specifically after the Spanish-American agreements of the fifties that this sector expanded and placed this country 12th worldwide.

One of the principal factors in this expansion was the takeover of this sector by the INI (Instituto Nacional Industrial), a state agency created in 1941 and managed primarily by the military. From its inception INI showed great interest in military industry, but it was only after 1959 that it was instructed to modernize this sector intensively. Today the INI alone employs around 26,000 people who are subject to working conditions approximating those established by the Law of 9 March 1938: "Le Fuero del Trabajo" [Work Code]. Around 70,000 people¹ work in military industries whose capital is semi-private, semi-public.² To this figure must be added the thousands of workers employed in dozens of other military support industries, which for the most part are private enterprises.³

Weapons production is to all intents and purposes divided into three groups which on the whole correspond to the three sectors of the armed forces: the ENSB (army), the ENB (navy), and the CASA (Air Force). Each of these groups can participate in the development of industries consolidated within another group.

The ENSB (Empresa nacional Santa Barbara [Santa Barbara National Company], an enterprise founded in 1959 within the INI, works principally for the army. This group has factories in Seville, Oviedo, Palence, Toledo, Grenada, and La Corogne, and has more than 50 small or medium-sized support enterprises working for it.

Most of its production is in the metal-mechanical and electronics sectors; it produces projectiles and miscellaneous artillery pieces such as the NATO-type

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106 millimeter M-40-A1 recoilless rifle, MG 41 machine guns, various rifles and many of other NATO-type light arms.

The production of this type of conventional weapons is in large measure national and is exported to such countries as Portugal, Guatemala, Chili, Argentina, Uruguay, South Africa, Jordan, Pakistan, Thailand, Indonesia and the Philippines.

A good part of the ENSB activity is also directed towards the manufacture of the MAX-30, a tank dating from 1966 in France, built under French license. Eighty percent of its parts is domestically produced. The Spanish MAX-30 is a direct product of the Franco-Spanish program for co-manufacturing war materiel signed in 1969. Like many other weapons, this tank, manufactured mainly in Seville, is an export tank which at the same time equips the Spanish armed forces.

In June 1979 there were 180 Spanish MAX-30s on the national and international market, corresponding to an average production of five tanks a month which, according to the INI, can exceed, in case of demand, 15 tanks a month.

Among the many enterprises this group has working for it number some with an international reputation including among the latter the ENASA, the ENOSA, Chrysler Espana, Marconi Espanola, the CETME and the EISA.

--The ENASA (Empresa nacional de autocamiones SA [National Truck Company]) employs around 13,000 people. Founded in 1948 within the framework of the INI, it is working on the creation of the BMR 6X6 (Blindados Medios de Ruedas) under the cover of an American model and is at this time developing a BMR program relative to a series of amphibious vehicles.

--The ENOSA (Empresa nacional d'optica SA [National Optics Company]) employs around 1,000 people, mostly technicians. This enterprise was created in 1950 with predominately American capital, and since its creation has had very close relations with the German optical company Karl Zeiss. At this time, the ENOSA is working in collaboration with the TPA (Taller de precision de artilleria [Artillery Precision Laboratory]), an army subsidiary, and with the LTIEMA (Laboratorio y Taller de investigacion de la armada [Investigative Laboratory and Workshop of the Navy]). The ENOSA participates in the manufacture of optical components for the AMX-30 tank as well as in the manufacture of a telescopic rifle sight. The group is also active in developing research.

--Chrysler Espana, whose head office is at Vilaverde near Madrid, employs over 14,000 people. A private firm, it is primarily entrusted with the modernization of M-47 and M-48 battle tanks and the VTT M-113s, which are in service in the Spanish army. This group also builds specialty trucks, transmission units and gear boxes for American M-151 A2 jeeps.

--Marconi Espanola: This firm is almost wholly owned by the American ITT and is linked to many defense sectors (radio, communications, telephone, radar and navigation, fire control, simulation, monitoring, counter measures...). This group was the first private enterprise to work directly for the Ministry of Defense after 1917. With Franco's coming to power in 1939, English capital was

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withdrawn from Marconi, which remained in the hands of American capital and the INI. Later, ITT bought out the INI shares. In addition to its links with the army, this group also has links with the Spanish air force. It is at this time negotiating with American manufacturers to implement a program of cooperation for the construction of F10 and F18 fighters.

--CETME and EISA are the two Spanish enterprises the most involved with research and development. On an average, 400 people work in CETME (Centro de estudios tecnicos de materiales especiales [Central for Technical Studies of Special Materiel]) which was created in 1949 with the help of primarily American credits. One of the most widely known CETME projects is the MEROKA anti-aircraft gun whose license belongs to LOCKHEED. EISA (Experiencias industriales SA [Industrial Experiments]), for its part, employs 600 people, and 87 percent of its activities are directly tied to the Ministry of Defense. This enterprise, created in 1921, builds hydraulic systems and electronics components for the AMX-30 and coproduces with the firm Selenia SPA ASPIDE missiles and ALBATROS launchers earmarked for Spanish corvettes. At this time, EISA is negotiating with the French navy for a license to manufacture modern torpedoes, but the bulk of its future work is centered on the development of the Laser rangefinder.

The INI plans in the near future to merge this enterprise with ENOSA and a new enterprise recently created which already employs 300 people, EESA (Equipos electronicos SA [Electronic Equipment Ltd.]) into a large optical-electronics group.

--ENB (Empresa Nacional Bazan de construcciones navales militares [Bazan National Company for Naval Military Construction]) works primarily in the naval industrial sector, although the group sometimes participates, through the channel of ENOSA, EISA, and ENSB, in arms production for the army and the air force. This enterprise also belongs to INI, and around half of its activities derive from contracts with the Spanish navy. The ENB also turns a profit on exports to third world countries such as Brasil, Argentina, Mexico, Indonesia, the Philippines, Malaysia as well as several African countries. Founded in 1947 and restructured following the Spanish-American agreements, this group thoroughly altered the former shipyards of El Ferrol, Cartagena and San Fernando, located in Cadiz. These three shipyards, which have greatly contributed to the rapid growth of the Spanish commercial empire, have in fact been in service since Philip the Fifth and Carlos the Third.

Today 14,000 people work in these three yards and their annexes, of which 9,500 are workers, 2,500 are technicians, 1,700 are office personnel and 300 are engineers.

Most of the weapons produced at El Ferrol, Cartagena or San Fernando are manufactured under American, French, and even German license. In addition to routine repairs it carries out on warships of the Spanish navy and the American navy, as well as on ships of the national or international merchant marine, El Ferrol in Galicia is currently building, under American license, an aircraft carrier and three frigates equipped with the Harpoon surface-to-surface missile, as well as four corvettes of the "Discovery" class.

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The Cartagena shipyard located on the Mediterranean coast has started a construction program under French license of four "Daphne" class submarines as well as four "Discovery" class corvettes. This yard also builds diesel engines under German license.

San Fernando, located in Cadiz, has at this time a program to build 10 maritime surveillance patrol boats and is involved primarily in the manufacture of the anti-aircraft weapon MEROKA.

The development of these three yards ranks Spain in third place among European naval constructors after Sweden and Germany.

The CASA (Construccion aeronauticas SA [Aeronautic Construction]) group was created in 1923. It controls almost the entire Spanish aeronautical sector after having absorbed, in 1972 and 1973, its principal rivals, "Hispano aviacion" and the EMASA respectively, as well as CECSA (Compania de Electronica y comunicaciones SA [Electronics and Communications Company]) which was founded in 1962 with the aid of ITT and Hughes Aircraft Company capital. CECSA alone employed 1,300 people.

The CASA group possesses more than 90 percent of the Spanish aeronautical industry, and maintains close links with foreign companies, such as Airbus Industrie, a group in which CASA owns 4.2 percent of the capital.

In Spain, CASA collaborates with most of the enterprises linked to the aeronautical industry and with Marconia Espanola and AISA (Aeronautica Industrial SA) in particular.⁵

More than 8,000 people are distributed in factories located in Madrid, Seville, Cadiz, Getafe and Agalvir. These employees handle repairs and storage of American planes based in Torrejon, Moron, Rota and Saragossa, as well as of Spanish planes which comprise the air force, such as Phantom F4s and RF4s, Mirage IIIEs and Mirage FI-Cs, MA 100s and 200s, C 212s, etc.

CASA factories manufacture primarily light transport planes and support planes. Almost the entire output of finished products produced in the group's five factories is manufactured under American license. At this time there is a question of diversifying this production somewhat. There is talk of an imminent start-up of an intensive program to build Mirage 2000s, which, however, are on the verge of being superseded by new models.

CASA is doubtless more dependent for material than are ENSB and ENB.

The giants of the American aeronautical industry, particularly, McDonnell Douglas, Northrop, Lockheed and Hughes Aircraft, are very strongly established in this group. Northrop for example holds 20.8 percent of CASA capital.

In order to ensure better coordination between ENSB, ENB and CASA and all the enterprises linked to the weapons industry, the Suarez government has just created three management and oversight structures for the entire national weapons industry sector, namely DGAM (Direccion General de armamento y material [General

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Armaments and Materiel Administration]), JIRCEAE (Junta interministerial reguladora del comercio exterior d'armas y explosivos [Interministerial Regulatory Committee for Foreign Trade of Arms and Explosives]) and DAD (direccion para assuntos da defesa [Administration for Defense Matters]).

These three structures, subsidiary to the Ministry of Defense, the government and INI respectively, also have the objective of further encouraging the modernization of the weapons industry and increasing the degree of competitiveness of these industries internationally. This tends to hold them hostage to a predominately "Managerial" conception of weapons industries.

Military industries in Portugal employ around 10,000 people who are distributed for the most part in the metal-mechanical, navy shipyard, chemical and electronics sector.

Among those sectors which expanded the most during the colonial period, the most important is the metal-mechanical sector. More than 5,000 people are working there distributed as follows:

--The FMBP (Fabrica militar de Braco de Prata [Braco de Plata Military Factory]) employs more than 2,000 people. This enterprise, located in Lisbon, specializes in manufacturing several types of light arms, including the NATO G3 which was widely used during the colonial war. The models of weapons produced by this enterprise are for the most part American, German or national.

--The FNMAL (Fabrica nacional de municoes e armas ligerras [National Munitions and Light Arms Factory]) employs more than 1,500 people and backs up the preceding enterprise.

--The OGMA (Oficianas gerais de material aeronautico [General Aeronautics Materiel Bureau]) located at Alverca de Ribatejo in the country area around Lisbon employs more than 1,000 people. This enterprise is reported to be at this time manufacturing technologically advanced weapons with American aid.

--The OGME (Oficianas gerais de material de engenharia [General Bureau of Engineering Equipment]) employs more than 500 people. The principal activities of this enterprise are repairs of military vehicles. The enterprise has very strong links with the Luso-Brasilian Car and Equipment Company whose factory is located at Porto-Alto near Lisbon. This company manufactures battle tanks under American license, of the V-200, V-300, V-1000 chaimite type.

The Alfeite shipyard, which belongs to the War Navy and is located at Baneiro, is, after Lisnave and Setnave, the third largest Portuguese naval industry,⁶ with 3,450 employees. The workers at this navy shipyard also work for other agencies besides the War Navy.

The chemical industry sector increased its workforce considerably after the outbreak of the colonial war in 1961. This sector is represented by the LMPQF (Laboratorio Militar de productos quimicos e farmaceuticos [Military Laboratory for Chemical and Pharmaceutical Products]). This laboratory employs over 700 people and specializes in tropical medical research. It is noteworthy that in a

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country which, like Spain, has become a field of medicinal experimentation for large international laboratories as a result of facilities granted, at the beginning of the sixties, to foreign investments, the LMPQF is one of the national laboratories which is in the best shape. In particular it exploits pharmaceutical products earmarked for the military and their families.

Two other sectors expanded considerably during the colonial war: the processing industries and the food industries. The chief group of transformation industries is the OGFE (Oficinas gerais de fardamento e equipamento) whose head office is at Lisbon and which employs 1,600 people. This group is expanding its development mainly in ready-made clothes, the manufacture of shoes and fabric. The OFGE has a large commercial center, the "CASAO," where everything produced in their factories is displayed.

The food industries sector is represented by the MM (Manutencao militar) which is still today the largest Portuguese commercial enterprise in the supermarket field.

A quick calculation of the employee workforce in the different military industries mentioned above totals over 10,000, which seems large, for it represents one percent of industry employees. It must also be remembered that all of these enterprises, the majority of which are located in Lisbon, or its surroundings, make work for several dozen small or medium-sized enterprises⁷ with which they are sometimes associated. Fifty-one percent of the shares of the Portuguese Explosives Company belong to FMBA and FNMAL. Most of the enterprises mentioned above are managed by senior officers who still nowadays adopt a militarized hierarchial organization of production shifts, as has been the case since the thirties. Several of the enterprises mentioned above, in particular FMBA, FNMAL and the Alfeite yards have greater workforces than those of French weapons industries such as Luchaire, Thomson Brandt, and approach the workforces of the largest groups such as Manurhin.⁸

Today, it is the question of a reorganization of weapons industries with the purpose of making them more competitive internationally.⁹

FOOTNOTES

1. While the magazine CINCO KIAS in its 12 September 1979 issue reckoned at 64,500 the total number of jobs in the three weaponry sectors (43,500 army, 13,000 navy and 8,000 in sectors linked to aviation), the REVUE INTERNATIONALE DE DEFENSE of 1 January 1980: "Le potentiel defensif espagnol, 2e partie: l'industrie de l'armement," ["Spanish Defense Potential, Second Part: Industry and Armaments"] an article by Sanchez Mendez, speaks of 70,000 people distributed as follows: 46,000 in the sectors linked to the army, 14,000 in the navy and 10,000 in aviation.
2. On the initiative of the government the Defex firm was created in 1972, which controls the overall weaponry production and whose capital belongs 51 percent to the enterprises integrated in INI (ESBN, ENB, CASA, EISA, EESA...) and 49 percent to private firms which maintain very close ties with the Ministry of Defense.

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3. For a detailed description of the number of private enterprises linked to the weaponry industry, see the rich empirical study of Peter Locke and Herbert Wulf: "Register of Arms production in developing countries," March 1977, a study available from Arbeitsgruppe "Ruestung und Unterentwicklung," Parkallee 72, 2000 Hamburg 13, West Germany; see also Revue de Defense internationale for January 1980.
4. "Memoria y Balance Ejercicio," 1978, ESNB.
5. CASA maintains in fact close contacts with many private factories, among which EXPAL (Explosivos Alavezes), FEMSA (Fabrica Espanola de Magnets SA), SASPA (Sampece Paracaidas), Sanchez Quionones, Gressel SA, Alvica, Ciba Geigy, EISA, ... cf the magazine RECONQUISTA for April 1979.
6. Oscar Mota: "A industria naval Portuguese, ["The Portuguese Naval Industry]" REVISTA NACAO E DEFESA, no. 6, 1978.
7. Among the dozens of small and medium-sized enterprises which work with Portuguese military industries are the Espingardaria de Tavira, the Oficina Soldadura Electrica, Eugenio and Severino, Vaquinhas and Gertrudes, the firms Explosivos de Parry and Filho, Construcoes Metalicas, Orgitay, Construcoes e mecanicas.
8. Jacques Isnard: "La France, marchand d'armes," [France, Arms Merchant], LE MONDE for Sunday, 11-4-1979.
9. A law decree tabled in the Assembly of the Republic in May 1980 on the revitalization of weapons industries.

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