

Italy: Schmidt Blackmail Fails To Stop Progress Toward Andreotti Gov't

July 23 (NSIPS) — The blackmail attempt contained in American financiers use of Helmut Schmidt to deliver an austerity ultimatum to Italy earlier this week has failed to slow the steady progress of Christian Democrat Giulio Andreotti's effort to form a new, pro-development Italian government. Whatever the shape of Andreotti's cabinet, the barely concealed intent of his government will be to declare a moratorium on Italy's \$15 billion foreign debt at the earliest possible moment to clear the way for renewed industrial growth in Italy — the real cause of the West German chancellor's outrageous July 16 statements.

Andreotti is now expected to present his choice of cabinet ministers, likely all Christian Democrats, to the Italian parliament for a successful vote of confidence early next week. Having consolidated his position within the DC and received confirmation as Premier July 13, Andreotti undertook consultations this past week with all major Italian political parties. By the end of the week, he had discussed his "draft program" with the various party leaderships, without significant opposition being voiced by any, largely because he had brought significant pressures to bear on such rabidly pro-austerity forces as the NATO-agent Communist Party (PCI) leadership by successfully approaching trade union, farmer and municipal leaderships for support on an independent basis.

Of equal importance, Andreotti's principal political ally in the struggle for a pro-development government, Giacomo Mancini of the Italian Socialist Party (PSI), made significant headway in consolidating his own factional position within the PSI, reflected in a statement by the newly installed PSI General Secretary Bettino Craxi that he would consider Andreotti's program "with the greatest interest and respect." It is upon Mancini's success in consolidating his power over such pro-austerity agents as Craxi and related "left" counterinsurgency groups in the PSI that the success of any pro-development government in Italy will finally depend.

Under the immediate circumstances, "there is no realistic alternative" to Andreotti's formation of a new "government of necessity" wrote Italy's newspaper-of-record, *Corriere della Sera* July 22. Courting no obstacles, Andreotti submitted to the political parties a program described by some as a "laundry list" of the issues, deliberately designed to minimize criticism from the pro-austerity opposition by omitting to specify whether the actual content of government measures ("youth employment" for example) would be slave-labor or high-technology and development oriented.

Nevertheless, it was Soviet and Third World trade arrangements preparatory to a government development program made by industrialist Eugenio Cefis which in large part tipped the political balance in Andreotti's favor.

Andreotti himself, shortly after his July 13 confirmation as DC choice for premier, released a statement emphasizing his commitment to policies of industrial growth.

Andreotti added to his political leverage by tapping the debt moratorium sentiments of Italy's peasantry, represented by the DC's own Coldiretti farmers organization, composing 80 per cent of Italy's small landholders. The Coldiretti's call for an agricultural debt moratorium in Italian agriculture significantly destabilized the Italian Communist Party's pro-austerity campaign, as the Coldiretti proceeded to conduct discussions around the debt issue with the PCI's powerful Peasant Alliance organization, composed of equally drought-stricken farmers.

The debt moratorium motion by the farmers was joined and reinforced by similar demands from the mayors of Italy's bankrupt cities, in particular the PSI-controlled administrations. Subsequently, Andreotti met and received an expression of confidence from five leading mayors of the National

Association of Municipalities, promising them government steps in favor of "local debt consolidation" quite apart from his discussion with their parties.

Queried by NSIPS on the meaning of Andreotti's "debt consolidation" statement, a prominent writer for *Corriere della Sera* said that, if Andreotti delays a foreign debt moratorium, he is almost certain to call "internal" debt moratoria soon after the formation of his government.

On July 20, Andreotti met and reached a similar "independent" programmatic agreement with the nation's trade union leaderships. He thus rendered it extremely difficult for the PCI to refuse him support on programmatic grounds.

Accordingly, the PCI has been forced to maintain a tentative opposition on purely formal grounds. Enrico Berlinguer, of the PCI leadership and the American CIA, has demanded that Andreotti "officially request" an abstention rather than a PCI "No" vote to his proposed cabinet. If the PCI votes "No" Andreotti cannot form a government, but Andreotti can hardly agree to "official consultations" as Berlinguer wittingly demands. The DC gained a plurality of the votes in the May general elections on the basis of a largely anti-Communist campaign.

Berlinguer's wrecking posture, however, continues to grow more difficult. In a feature interview in the July 20 *Corriere della Sera*, National Secretary Lettieri of the giant metal workers confederation (FLM) attacked the slave-labor "youth employment" program of the PCI, and proposed increased youth education, the employment of youth in a national literacy campaign, and youth's employment otherwise in regular industry at regular union wages — significantly corresponding to Andreotti's own public statements on such issues.

Not coincidentally, the same issue of *Corriere della Sera* reported that Cefis's Montedison had proposed a campaign of collaboration between industry and the national university system for industrial development. We must turn out "high-quality labor-power," a Montedison spokesman said, for "we need creativity." "And you can't get creativity out of machines."

But the most critical support for Mancini has come from the direction of the PSI's Giacomo Mancini. On page one of today's *PSI Avanti* newspaper, Mancini spokesman Nino Neri launched a blistering attack on the so-called "left-wing" of the Christian Democracy under Benigno Zaccagnini for failing to back Andreotti wholeheartedly. In a related move, Mario Dido, a PSI member and a National Secretary of the CGIL trade union confederation, issued a public statement endorsing Andreotti and his future government.

Such statements represent a major factional fight now raging within the PSI itself. At a PSI Central Committee meeting early last week, rabidly Atlanticist PSI agent Riccardo Lombardi resigned his position, taking with him the rest of his faction. The tactic was aimed at threatening a party split, and forcing Mancini into a compromise position on an Andreotti government and development program. The resignation of PSI General Secretary de Martino followed.

Mancini has not capitulated, but dangerously allowed Bettino Craxi, an Atlanticist agent in his own right, to assume the position of party general secretary, from which Craxi can potentially maneuver against PSI alliance with Andreotti.

However, Mancini has within his capability a tactic which he may use to short-circuit the entire agent-operations in his party. Resting among those would-be wreckers is the exposed flank of Francesco Alberoni, the rector of Trento University during the 1968-70 period during which that institution under the direction of sociologist Alberoni himself, brainwashed the members of the notorious "Red Brigades" terrorist gangs which have been used

by leading Italian Atlanticist Gianni Agnelli to disrupt Italian political life for months.

Were Mancini to launch a full investigation into Alberoni and the PSI "intellectuals" associated with him — and Mancini associates began just such an investigation through the

magazine *Tempo Illustrato* in May — it would immediately throw a large monkey-wrench into the Atlanticist "invisible government" networks not only throughout the PSI, but all of Italy. The maneuvering room required by Mancini and Andreotti to openly propose and put across a debt moratorium and development program would be quickly provided.

France

Giscard Didn't Need Schmidt's Statement

July 24 (NSIPS) — Infuriated Atlanticist spokesmen were quick to recognize that Helmut Schmidt had made a major blunder when he spoke of a U.S.-European agreement in Puerto Rico not to grant financial aid to Italy except under certain political conditions. Typical of those reactions was *Le Figaro* editorialist Xavier Marchetti who said, in more polite terms, that if Mr. Schmidt could not keep his mouth shut, he should go straight to hell with his European unity plans, and everyone might as well stay home and not bother about summit meetings anymore. The repeated criticism of Schmidt was that his behavior showed absolutely no concern for his partners, and primarily French President Giscard d'Estaing.

There were good reasons for the angry reactions. Schmidt's remarks came in the midst of an exchange of complementary messages between prominent Gaullist leaders and the Soviets. These messages indicated a similarity of views and a common determination to hit the Atlanticists in the weakest spots: the dollar and the Giscard regime.

Having very little support in the country, Giscard's strategy to subject France to the dollar empire and Schachtian economics can be summarized as following the Italian dictum: "Chi va piano va sano" (who goes slowly, goes safely). The Schmidt statement represented a definite threat to the successful realization of this doctrine, as it provided the necessary fuel for the Gaullists to go all the way in their denunciation of Atlanticism.

Gaullist Baron Michel Debre was quick to point out the danger of a resurgence of fascism in Germany, and the threat this is posing for the balance of forces in Europe and for detente generally. Other Gaullist spokesmen did the same, the Sanguinetti brothers, military figures like General Binoche, Foreign Policy Institute thinkers like de Coursac, denounced the Schmidt declaration in turn. They developed the argument that the Chancellor's remarks showed that any European unification constitutes a danger for the national independence of France, as it has been shown to be the case for Italy. The French Communist Party, waking up from its sleep, mobilized around those themes, with militants distributing half a million leaflets in the Paris region alone. Opening the campaign 6,000 PCF militants demonstrated on behalf of national independence in Paris.

It is exactly that kind of 'Jacobin' ferment among the Gaullists and within the PCF which the Giscard government wanted to avoid. It immediately imperils the French government's European and economic policy, destabilizing the regime at a time when French business is angry at its failures in monetary policy and the trade unions refuse to accept any austerity plans. The prominent financial daily *Les Echos*, which represents the point of view of a large fraction of the business community, has praised Gaullist Baron Michel Debre's call for a Gaullist government of "national emergency" as a solution of last resort should the present government continue to be indecisive in dealing with the worsening economic situation, a declining franc and a heavy trade deficit worsened by the European drought.

Debre, praised last week by *Izvestia* as the French political figure with a 'realistic' understanding and commitment to detente, proposed in *Le Figaro* a Gaullist dictatorship as the sole alternative to the Atlanticist-dollar dictatorship being imposed now. Debre's conception of the tasks of such a government: eliminating internal and external inflation, coincide with Rude Pravo's warnings about the wild inflationary situation and its advocacy of gold for a sound monetary system. The Soviets and Gaullists also share the same concerns on the question of defense and European organization. While *Pravda* praised Baron Couve de Murville for his farsighted remarks on the importance of good Franco-Soviet relations, Foreign Minister Sauvagnargues, then in Moscow, was subjected to intense interrogations by Soviet Foreign Minister Gromyko on whether France adhered to detente and what exactly was its defense policy. Military strategist General Pierre Marie Gallois, interviewed in *Le Nouvel Observateur*, poked fun at the 'kiddy war' doctrine of Giscard (that of Schlesinger) in the face of the Soviet' allegiance to a strategic war-winning policy. Gallois stated that the only way a united Europe could come into being would be through a Gaullist-governed France, with a greatly strengthened force de frappe or nuclear dissuasion force. Such a Europe would be on good terms with the USSR, if we are to interpret Gallois' evident feelings of trust and friendship towards that country.

The recurring theme of all concerned Frenchmen, Gaullists and Jacobins among business and working class layers alike is that Giscard is "unfit" to rule. Mr. Giscard did not need Mr. Schmidt's statement, to say the least!

NSIPS Exclusive Translations

Gaullist Leader Debré: "Inflation Leads To Dictatorship"

July 22 (NSIPS) — Gaullist Baron Michel Debré, a former French Prime Minister under General Charles de Gaulle, made the following statements in a July 21 article, excerpted here from the Paris daily *Le Figaro*.

A long period of excessive inflation leads a nation into an abnormal situation. When it becomes a habit not to react, or to react insufficiently, the effort which must be furnished to go back to the norm is so great that it goes beyond the means of a political power established in ordinary forms. A period of full power, and perhaps a form of dictatorship then appears ineluctable. (Public) opinion, as agitated as it often is with contradictory sentiments, expects this and fears it at the same time.

This process is in France on the verge of being set off in an irreversible manner. Five years of over-inflation, of uncertain and, at best, mediocre perspectives: the situation deserves a long moment of reflection on the part of our responsible officials.

Without a doubt, we have aligned ourselves on general renunciation and accept without protest the consequences of a break — wanted by the United States — of the parapet constituted by the international monetary order based on gold. The