

Christian Democrats Plan To Include Communists In Cabinet

ITALY

Latest reports in the Italian press, and recent motion in both the Christian Democratic Party (DC) and the Italian Communist Party (PCI) indicate that the Italian progressive forces are gearing up to bring the PCI — chief supporter of Premier Giulio Andreotti's one-party, minority government — officially into the government in some fashion probably after Easter. Simultaneously, a wave of terrorism, kidnapping, and assassination attempts has been unleashed in an effort to destabilize the government and provoke a collapse of Andreotti's cabinet after Easter, according to well-informed sources.

Guido De Martino, son of former Italian Socialist Party (PSI) Secretary General, Francesco De Martino, was kidnapped last Monday night in Naples, allegedly by the terrorist Nuclei Armati Proletari, southern division of the Red Brigades. The Italian press has universally recognized this to be a political kidnapping aimed at intensifying disorders throughout the country. Guido De Martino is provincial secretary of the PSI in Naples, and his father has been a factional ally of PSI pro-development leader and Andreotti ally Giacomo Mancini. As the news of the kidnapping went out, spontaneous general strikes and mass demonstrations occurred in the main Italian cities.

Following De Martino's kidnapping, further violence was reported by the press. A bomb exploded in the house of Italy's Interior Minister Francesco Cossiga and another one exploded at his office yesterday night. A large bomb exploded in front of the Regina Coeli jail in Rome which, although it did not cause any casualties, did serious damage to the building.

The PCI has responded to these provocations with a front page editorial in *Unità* today attacking those "well known intellectuals" who go around theorizing about a "sociological explanation of violence." This is a reference to Francesco Alberoni, sociologist brain-washer who created the notorious Red Brigades during his tenure as rector of the University of Trento during 1968. "Fascism and Nazism also have their cultural roots," stated *Unità*.

Coalition Government

Andreotti's speech at the just-concluded DC organizational conference in Rome was devoted almost exclusively to explaining the need for the PCI to hold cabinet posts. He warned against Italy replaying the Weimar Republic's economic collapse into Schachtian austerity and fascism. He said that since the national

level of indebtedness threatens to bring about a collective bankruptcy, political forces are now at a crossroads and all of those who move in the republican realm must push for a real recovery program.

Christian Democratic Secretary General Benito Zaccagnini, delivering the closing speech, backed up Andreotti — in "unprecedented friendly terms," according to Italian daily *Corriere della Sera* — but was ambiguous about the PCI. While stating that the DC is against bringing the PCI into the government, Zaccagnini envisioned a "Phase II" government in which the DC would give Andreotti a free hand in forming a new cabinet.

The PCI has stated its intentions to push itself into the government. Secretary General Enrico Berlinguer authored an article in *Unità* last Sunday, in which he charged that the DC cannot remain clinging to the current government formula. The present government has fulfilled a positive role, wrote Berlinguer, but it must be changed by reaching an agreement with the working class and its PCI representatives. Simultaneously, the head of the PCI parliamentary group issued statements early this week saying that the PCI was not born to be in the opposition but "bring the working class to power and the country to socialism."

The possibility being mooted by the press — a possibility that Andreotti himself advanced last month in an interview with the French daily *Le Monde* — is to have PCI "technicians" brought in as cabinet members after Easter. This hypothesis was picked up yesterday, approvingly but not happily, in a news article and an editorial by the conservative West German paper *Die Welt* giving crucial West German support to Andreotti's policy. Despite the fact that the PCI is not yet in the government, said *Die Welt*, the next step will be to have more programmatic coordination with the PCI by bringing into the administration people respected by the communists.

PCI Faction Fight

Die Welt, however, clearly refers to the continued factionalization process being led by the Stalinist "traditionalists" within the PCI which has reached new heights this week. In a language that, according to one media commentator, "had long been forgotten" in the PCI, Central Committee member Armando Cossutta, addressing a PCI regional congress last Monday, characterized as "grotesque" the fact that "American imperialists could attempt to make themselves the paladins of human rights" while the blame for the failure of the SALT negotiations falls completely on their shoulders. "Certain American circles," he said, are interested in an armament race that would shift funds

away from productive investment so as not to lose their blackmail capacity to interfere in other countries.

Reached today by *Corriere della Sera* for comment on the wide criticism that his statements have aroused, Cossutta reiterated his position point by point, adding that he completely shares Soviet policy and sees no reason not to express it freely: "It is unthinkable that a workers' party, a party like ours, could break its solidarity links with the CPSU and fulfill an anti-Soviet function." Cossutta's speech has been blacked out of *Unitá*.

PCI factionalization, however, is best reflected in *Unitá* on energy policy. Yesterday the paper carried one article which mirrored the Trilateral Commission line by attacking nuclear energy for its terrorism and pollution potentials; while a second article dubbed Industry

Minister Carlo Donat Cattin — who has been blocking the government's industrial reconversion and nuclear programs — as an "ecological danger...whom we find disgusting." The possibility exists that Donat Cattin will be replaced by a PCI expert in an eventual cabinet reshufflement.

Finally, *Unitá* today interviewed top Soviet fusion scientists from the Soviet Science Academy, including its Director Alexandrov, in an article presenting nuclear energy development as the only possible alternative to meet the world's energy needs. Alexandrov explains to the Italian readership that the anti-nuclear campaign in the U.S. stems from the fact that the construction of nuclear plants will "limit the profits of the oil companies."

Gov't Unions Negotiate 'Slap-In-Face' For IMF

BRITAIN

An apparently secondary aspect of the March 29 budget announced by Chancellor of the Exchequer Denis Healey, and one virtually ignored by the press outside Britain, gives the clearest proof yet that the Labour government of Prime Minister James Callaghan is embarked on an economic recovery policy for Britain which will directly contradict one of the most basic tenets of the IMF's conditions for its debtor countries.

Specifically, in upholding the view that "stable exchange rates" are crucial for the economy's recovery, Healey made a 180-degree turn from the provision he signed in the December Letter of Intent to the IMF. There he pledged that the government would "maintain stability in the exchange markets consistent with the continued maintenance of the competitive position of U.K. manufacturers both at home and overseas." According to the *Sunday Times* of April 3, to implement the spirit of this condition, the pound would have had to fall to \$1.56 in the recent period to maintain export competitiveness for British manufacturers. The pound has risen to \$1.72, although the government has intervened to keep its value artificially lower than the market demands.

The pound has been the focus of a fundamental disagreement between the pro-IMF "Young Turks" in the Treasury on one side, and Callaghan, the trade unions, and leading industrialists on the other, over what kinds of policies will best stimulate Britain's lagging economy. The Callaghan faction's standpoint: a falling pound, while perhaps giving some limited advantage to exporters, pushes import prices through the ceiling, thus fuelling a new round of domestic inflation and making any further settlement on pay increases with the trade unions impossible. And a collapsing pound would hardly spur confidence in the British economy abroad, and would tend to curb the recent monumental flow of money

into Britain, which has allowed the government to steadily decrease interest rates (down to 11 percent from a high of 15 percent last fall) and thus boost new industrial investment.

Pressure on Callaghan

The pressure for the government's outright rejection of the IMF's viewpoint is coming from the trade unions and the Labour base. The loss of yet another Labour parliamentary seat in the Stechford by-election April 30, coupled with the trade unions' near universal disdain of the budget, has put Callaghan on notice that concrete results from his much-heralded industrial strategy must be forthcoming if he intends to remain in government.

Leaders of Britain's major trade unions, already under intense pressure from their rank and file to reject any continuation of the social contract, dismissed the budget as absolutely unacceptable. Clive Jenkins, general secretary of the scientific and technical workers union warned that the budget's measures (which linked further tax breaks to a third round of pay agreement under the social contract) would "ensure the end of phase III." Even moderate trade-union leaders, like Jack Jones of the transport workers union and miners' leader Joe Gormley, say their memberships may vote to end compliance with the social contract at their annual conference this summer. Support in financial and press circles for Callaghan's continued residence at 10 Downing Street rests solely on his ability to negotiate with the trade unions.

The loss of the Stechford seat, while not immediately jeopardizing the government's future following their deal with the Liberal party to ensure parliamentary majority, does have major implications for the future of Labour Government control, since the Stechford constituency represents the heartland of the Labour party's base. Low voter participation, and swings of 17 percent and 9 percent to the Conservative party and National Front (fascist anti-immigration party) respectively indicate the anger of Britain's skilled and semi-skilled workforce which has seen their living standards eroded