

Bonn Debate Sparks Italian Political Shift

"The Summit meeting of the heads of state of the seven most industrialized Western countries concluded yesterday with an agreement . . . to undertake concerted action in support of economic development," reported *Unita* on July 18, and the Bremen agreements for the creation of a European Monetary System will strengthen the efficiency of the Bonn agreements.

In earlier coverage of the Bremen-Bonn meetings *Unita* had strongly and favorably suggested an alliance between British Premier Callaghan and Italy's Premier Andreotti. (For details, see our last issue.) But now the Communist paper happily reports the great friendship and mutual understanding and collaboration between Andreotti and West German Chancellor Schmidt. The close coordination between Andreotti and Schmidt was seen in Italy's pledging full allegiance to the European Monetary System and re-stating its commitment to implement its nuclear program.

The change in the PCI's posture reflects the ongoing fight over economic and industrial policy within the party. While the neoliberal, British-oriented wing of the PCI, associated with Secretariat member Giorgio Napolitano, demands labor-intensive agricultural

projects *without industry* for southern Italy, a proindustrial faction around Central Committee and Directorate member Napoleone Colajanni has stepped forward over the past week to lead a fight for central government planning of the economy and technological expansion.

Speaking at several PCI and workers' meetings throughout the country, as well as in several press statements, Colajanni, who is also president of the Senate Budget Commission, has identified those both outside and, significantly, *inside* the PCI and the trade unions who oppose program planning and the implementation of the government's industrial reconversion law, as "enemies of the working class." "Colajanni," reported *Corriere della Sera* July 16, "one of the Communist leaders who has more actively participated in drafting the industrial reconversion law . . . and the planning policy which must come out of it, intends to lead a fight so that the law is implemented." In a speech to the Lombardian PCI, continued *Corriere*, Colajanni "took up the fight against those within the PCI and the trade unions who refuse to accept the coherence required by program planning."

The PCI's 'Science Of Austerity'

The following resumé of the PCI proposal, printed as Proposta di progetto a medio termine, Editori Rinniti, Rome, 1977, comes from an analysis of City of London control over Italy's "economists" written by the director of the Executive Intelligence Review's Milan bureau, Muriel Mirak.

The background to the Italian Communist Party's earlier attacks on the Bremen accords is, simply, that while the majority of Communist Party cadres are kept ignorant of even the ABCs of political economy, the PCI's top "experts" are all the direct or indirect products of the London School of Economics. The most notorious of these, and currently the most powerful, is PCI Directorate member Giorgio Napolitano, who recently toured the U.S. as a guest of the New York Council on Foreign Relations.

Napolitano is the guiding spirit of the "medium-term program proposal" drafted by the Communist Party in late 1976 when the Andreotti government began to take shape and prospects were heightened, for a government not only in the national interest, but also including the PCI in the majority. The "medium-term program proposal" project mobilized a dozen PCI experts under the auspices of the party's economic studies center, CFSPE. Their stated objective was to "clarify (the

PCI's) concept of austerity, their view of what they consider the necessary choice of an austerity policy."

According to Napolitano's "science of austerity":

Austerity is an undeniable necessity to face the current economic difficulties. Therefore there is no alternative to it. But in our conception austerity does not constitute a temporary expedient, a brief period of painful sacrifices to then return to earlier directions; it is not a momentary reduction of levels of consumption which are conceived of as immutable; rather, it is a proposal intended to change, along the lines of a precise program, the mode of functioning and the social ends of the economic mechanism, the orientation of investments, of production and of public spending, the very quality of consumption, and to therefore affect the lifestyles connected to these, the cultural and behavioral models of entire sectors of Italian society. (page 21)

The medium-term proposal's "industrial policy" revolves exclusively around job creation in the backward Mezzogiorno region:

There is no mechanical relationship between growth in investments and development of jobs. The development of employment is not automatically assured by any old growth in investments; an increase in production and productivity of large enterprises which is based on direct, labor-saving investments, may increase the crisis of unemployment... (page 68)

As far as the development of jobs in industry goes, it appears to be obtainable through:

1) a drastic change in the shape of investments above all in the Mezzogiorno, from basic production (chemicals, steel, nonferrous metals) to derived and secondary production. Not only do the latter present higher employment levels — more value-added — but they are also higher-skilled jobs and therefore correspond more to the new characteristics of the available workforce. (page 69)

Coherent with the proposed deindustrialization is the labor policy of the “medium-term proposal”: mobility of the labor force, part-time employment for youth, and the absorption of unemployed women, while adult workers in heavy manufacturing industries are recycled into unemployment or light industries, under the fabrication that such jobs require higher skills!

The funds to finance this program are to come from cuts in social services and increases in direct taxation, coupled with an enlarged bureaucracy to ward off tax evasion. Home care should increasingly replace hospitalization for the ill and aged (page 94-95); compulsory education should be extended to age 15, but one year is to be cut off high school training (pp. 81-83). To prevent inflationary trends from arising from public spending for make-work employment, Napolitano specifies “the need to adopt immediate measures of reduction of consumption in energy and other imported products.”

The PCI program claims “the complete independence of the fundamental choices upon which the orientation of our country’s economic and social development rests. (page 40) However, when it comes down to actual financing, the truth comes out that Napolitano subjects the Italian economy to the dictates of the International Monetary Fund:

Considering that the expansion of total credit is subject for the time being to ties of economic policy both internal and international, it is essential that the overall finance flows of the system be subjected to rigorous planning.... (page 58)

Since Italian subject to the IMF looting constitutes the *real* thrust of the pseudo-program, it should come as no surprise that the text ends with unashamed acclamation of that institution:

It is in fact urgent to proceed to a true reform of the international monetary system, founded on equality of rights and duties of all the countries and inspired by the need to furnish the necessary liquidity to develop the weakest economies. To that end, it is urgent to proceed with the increase in the quotas of individual members of the International Monetary Fund, as well as with the new issuance of Special Drawing Rights, assuring at the same time a true democratization of the functioning of the greatest international monetary mechanism. (page 122)