

# Italy Pushes For "Oil-For-Technology" Exchanges To Break Seven Sisters' Stranglehold On Energy

Sept. 10 (NSIPS) — On Sept. 5, the Italian daily *Il Giorno* announced that the state-owned oil firm, ENI, was beginning on "Phase III" of its expansion program geared to making Italy autonomous from the "seven sisters" Rockefeller-controlled oil companies in securing its energy needs. In interviews with *Il Giorno*, two presidents of ENI subsidiaries identified Phase III as the final phase in the program initiated by ENI's founder — Enrico Mattei — to break the monopoly of the U.S.-based oil multinationals. The immediate plans announced were on three levels: First, to conclude the negotiations already underway with Libya, Holland, and the USSR; second, to begin implementation of the 1,700 billion lire oil for technology deal already signed with Algeria; and thirdly to elaborate a new series of more extensive negotiations with other oil producers to fill Italy's entire energy needs.

ENI's ongoing energy negotiations in the Middle East and the Soviet Union forms the backdrop to Italy's overall foreign policy, especially in the wake of the mid-August Colombo summit of the Non-Aligned nations. The final Colombo resolution stipulated the need for West European collaboration with the Third World to convert the Mediterranean into a "peace zone" as a crucial preliminary step in the creation of the new world economic order which the Non-Aligned committed bringing about. The Italian government of Prime Minister Giulio Andreotti, working together with its public industrial sector and in particular through ENI, has since pursued a policy of attempting to bring about peace in the Mideast through extensive diplomatic activity in the area and mass mobilizations of the population at home.

Yesterday the Italian Communist Party (PCI) press, *L'Unita*, revealed that the Libyans, Algeria, Tunisia, Yugoslavia, Malta, France and Italy had negotiated a limited "defense pact" agreement to protect the tiny state of Malta from any reprisals result-

ing from its intentions to force the withdrawal of all NATO bases from its territories. A clear implementation of the Mediterranean "peace zone" concept elaborated at Colombo, the Italian government has also ratified a separate peace treaty with neighboring Yugoslavia, terminating a series of border disputes which had disturbed relations between both states throughout the post war period.

## Italian Christian Democrats' Paper On North-South Talks

*Sept. 10 (NSIPS) — The following is excerpted from an article in the Sept. 8 Il Popolo, newspaper of the Christian Democratic Party in Italy. The article was headlined "The North-South Conference Brought Up Again":*

... There are also those who have expressed their opinion that it would be better to postpone all (at the North-South talks-ed.) until after the U.S. presidential elections in order to insure a larger commitment and clarity on the part of one of the main interlocutors of that conference. The unanimous hopeful expectation is that the next conference will develop better results than those that came out of the UNCTAD conference in Nairobi last May and from the Colombo conference of the Non-Aligned countries (in mid-August-ed.).

But the aim is much too important for the future world order (a new international economic order, based on the scientific collaboration and competition and not on the abuse, on the market cartels, on the embargoes, if not on interventions of proper military nature) for us to get discouraged in front of further obstacles....

# Soviet Trade Offensive Points Way Toward Future European Alignment

Sept. 10 (NSIPS) — Events around the Leipzig Trade Fair held this week in the German Democratic Republic (GDR) reveal the alignment of the socialist Comecon countries with Western industrialist and developing sector forces heading for creation of the new economic order. By pushing the expansion of East-West trade, the socialist sector is playing a crucial role in the movement of Western industrial capitalists against the Wall Street financiers.

At Leipzig, GDR leader Erich Honecker declared publicly the socialist countries' satisfaction with the pro-development Andreotti government in Italy, and the potential for trade with key French and Japanese firms. Nowhere was it more obvious that the tide was turning against Wall Street than this week's exchanges between the GDR and West Germany. Two leading members of the West German Atlanticist faction, Otto Wolff von Amerongen and Heinz Guenther Sohl, turned coat and declared that there are really no problems with present levels of Eastern European indebtedness — a problem that had been previously bantered about by the Atlanticist as an excuse to cut credits for East-West trade. The real debt problem, the Atlanticist turn coats declared, rests with certain "internationally active banks," and that a halt in credit to Comecon countries is un-

thinkable. Just as symptomatic, the West German industrialist daily *Handelsblatt* today gave totally unprecedented praise for Honecker and his activities at Leipzig.

One of Honecker's activities was to confirm a 1 billion Deutschmark deal between the GDR and the West German Hoechst chemical company, the largest chemical company in the world, for the construction of a chemical plant. The deal is of tremendous political significance, because it takes up a key item of the GDR's December 1975 8-point proposal to West Germany: solution of Western unemployment through employment of Western workers in industry in the GDR. Sixteen hundred West Germans will be employed in building the plant in the GDR.

This kind of trade arrangement also points the way towards the integration of European industry which will begin to take place under new international agreements to expand trade and production. The Soviets' view of the possibilities which will be created is laid out in the weekly *New Times*, which foresees the liberation of huge amounts of skilled labor and advanced machinery from defense industries and movement towards a global nuclear fusion power economy.

## Honecker At Leipzig Trade Fair

Sept. 10 (NSIPS) — The following excerpts, taken from the Sept. 6 Socialist Unity Party's weekly official newspaper, *Neues Deutschland*, document the major activities of SED Chairman Erich Honecker at the Leipzig Trade Fair:

### On France:

Honecker spoke with the French Ambassador to the German Democratic Republic, and with representatives of the French chemical corporation Rhône-Poulenc, stating that he is pleased with the fact that "several French companies" have opened permanent offices in East Berlin.

### On Italy:

Honecker met with the Italian Ambassador and representatives of the Montedison chemical corporation, stating: "We place the highest value upon the contribution of Italy for the implementation of peaceful coexistence in the European region and far beyond Europe... Part of that contribution (Honecker stated) is Italy's cultural contribution for the development of friendly relations in the entire world." *Neues Deutschland* also notes that the total volume of trade between Montedison and the German Democratic Republic companies has increased in the last four years by 500 per cent.

### On Japan:

Honecker expressed his highest appreciation that Japan is

scheduled in mid-September to open an official 'trade center,' and he expressed his hope that trade will 'significantly increase.'

### On the Federal Republic:

*Neues Deutschland* reported extensively on a cooperation deal between Hoechst, West Germany's major chemical firm, and the GDR, which will cost 1 billion deutsche marks. The agreement calls for 1,600 West German chemical workers to work in the GDR on the construction of a chemical complex. Hoechst executive board member Hoerkens expressed his high appreciation of the deal, and mentioned the possibility of agreements being worked out for joint marketing in third countries.

"... Mr. Hoerkens drew the attention of the guests (at the GDR Leipzig Fair dinner party) to the presence of Herr Gaus, head of the permanent representation of West Germany in the GDR, and presented him to the guests... Erich Honecker declared that it would be a good thing if Herr Gaus would not waste so much time making protests (Gaus normally carries protests from the Bonn government to the GDR, as he did over the recent phoney border incident —ed.), then he would have more time to negotiate..." (The West German daily *Die Welt*, reporting on the dinner party, wrote: 9... After a brief, half-hour talk at the Hoechst display, Honecker took his leave, in good humor, with the words: 'Let us drink to the salesmen, as the pacesetters of co-understanding.' He turned to State Secretary Gaus, and asked: 'You do not protest?')

## 'The Economic Benefits Of Disarmament'

Sept. 10 (NSIPS) — What follows is an excerpted translation of an article which appeared in a recent issue of the Soviet Union's international weekly *New Times*. The article was written by Igor Glagolev:

To justify the arms race, people like the British economist J. Thayer claim that the armament industry will bring about prosperity for the peoples, guarantee full employment,.... But Karl Marx wrote already in the last century, that war is equivalent to a nation's dumping part of its capital into the water.

The enemies of disarmament also assert that it would result in closing down arms factories, mass layoffs and a general cut-back in production. Since modern types of armament are so complex and specialized, these plants would not be able to produce civilian industrial goods, whereas the losses from shutting down such plants would deal an irreparable blow to the economy.

Of course the reconversion of the armaments industry to peaceful production involves certain difficulties. Nobody would deny that. But here is a solution to this problem, as the example of the Soviet Union has demonstrated. In 1944, when the victory over Hitler's Germany was an impending certainty, the Soviet Union began preparations for the reconversion of defense industry toward peaceful ends....

Tank-producing plants were reconverted to production of tractors, steam engines, transport machines and railroad cars. Former munitions factories now produce drilling equipment, dredgers, presses and rolling mills.

All this shows that a reconversion of material resources from military to peaceful productive purposes can influence the economic development and the living standard of the population in all countries most positively. For peaceful productive pur-

poses under conditions of general disarmament you could use:

- \* Huge resources of war material — \$500 billion dollars in total including cars, airport equipment, etc.
- \* The annual military expenditures which according to estimates by some Western experts amount to nearly \$300 billion today.
- \* The productive labor of the more than 20 million people now working for the military.
- \* Armament plants and military research centers with their highly qualified personnel and their equipment.

All this taken together would mean an increase in the productive forces such as history has never seen before.

As the Soviet government has repeatedly pointed out, the utilization of the means freed for productive purposes through general and complete disarmament would lift the economies of the developing countries of Asia, Africa, and Latin America to the level of the developed industrial countries today. In these countries, industrialization could begin and hunger and illiteracy could be wiped out.

With the huge resources freed under disarmament, several big problems could be solved at once, given a rational utilization. A rapidly developing industry could be converted to "clean" technology. Instead of the heat power plants which are the most important source of environmental pollution and of worsening human health, the "clean" thermonuclear (fusion-ed.) power plants could serve as a basis for world energy....

There are many such possibilities. But each additional example would only confirm once more the obvious truth: the conversion of the colossal material means from the military and unproductive sphere into funds for peaceful scientific research and for social welfare would bring all of humanity a benefit beyond all estimates, and would contribute to peaceful economic and scientific-technological progress. And there is hardly any need to demonstrate that disarmament would free the peoples from devastating wars and would guarantee the continuous existence of the world's civilization.

**Honecker:**

## Peace A "Top-Priority Task"

*Sept. 10 (NSIPS) — The following are excerpts from a speech by Erich Honecker, General Secretary of the Socialist Unity Party (SED) of the German Democratic Republic (GDR), given to the SED's Second Plenum last week. The speech was reprinted in full in the Sept. 4 issue of the SED's news daily Neues Deutschland:*

... peace in Europe is at stake, and on this depends above all the security of our borders. Politicians in the FRG (Federal Republic of Germany) who disregard this are endangering the life and welfare of their own country and people. To put it bluntly, the time is more than ripe for everyone to realize that detente is useful not only to the GDR, but also just as much to the FRG, for all citizens of the Federal Republic who desire peace... Peace is advantageous to all peoples and states. At the same time, it is obvious that detente encourages everything that is progressive in the world. This is making the aggressive forces in the capitalist countries uneasy and nervous. All the more reason for us to regard the fight to realize our policy of peaceful coexistence as a top-priority task. We must not yield any leeway to the provocateurs..."

...The gigantic level of armaments expenditures and the further raising of this level is making it less and less possible for the imperialist countries to run their economies without constantly taking on debt obligations. The national debt of the USA is currently 500 times as large as it was at the beginning of this century. In the FRG, debt incurred nationally, by the states and by communities will amount to about 50 billion deutschmarks for 1976 alone.

The enormous indebtedness brought about by raised arms expenditures will inevitably heat up inflation and will also expose their currencies to new crises, such as the one we have just seen in the past weeks with the collapse of the U.S. dollar and the French franc following the drop in the Italian lira and the British pound this spring. All these difficulties will now aggravate even further the competitive battle already wildly raging on the world market, a battle which has already reached critical proportions because of the "conjunctural leveling off" in domestic markets.

In this situation, monopoly capital is now already starting to coldly reduce social expenditures and is preparing measures to brutally reduce social security. In Great Britain and the FRG, "austerity measures" in health insurance have already been put into effect. The food served in hospitals is getting poorer, medications are being budgeted, and the period of in-hospital care reduced. Similar measures are planned in France and Denmark... In this time of increasing social insecurity, the governments of the imperialist countries are planning to reduce the already pitifully insufficient legal protection against social insecurity. This is primarily occurring so that arms expenditures can be raised correspondingly. Instead of a broad attack on unemployment and the constant worsening of the workers' health, in the capitalist countries we are seeing preparations for a broad attack on social expenditures, especially on social security.

*GDR radio, Stimme der DDR, ran further excerpts from Honecker's speech, which then appeared in the Sept. 8 edition of the West German weekly magazine Die Zeit. The excerpts read as follows:*

... In the class divergences between the systems, we cannot always count upon sunshine — even after Helsinki... Our GDR (German Democratic Republic), stands upon a stable found-

ation, and as a socialist state, does not find itself alone in the world... In our relations with the FRG (West Germany), we are at the longer end of the lever. Our opponents also know this. In addition, it is interesting that coincident with the heightening of the FRG's ideological confrontation, we, for the first time in many years, have achieved a balance in trade between the GDR and FRG. Yes, in the first seven months with increased volumes we have even reached a trade surplus with the FRG. Mutual exchange of goods this year will go beyond 8 billion marks. Thus, there is no basis to draw incorrect conclusions from the sharpening of relations between the GDR and the FRG. We are struggling from a firm position... The sharpening of the struggle in the area of ideology between the GDR and the FRG apparently has a positive side. Illusions are being destroyed amongst those who expected that the struggle between socialism and capitalism would be ended by Helsinki. This was never the intention. But the destruction of these illusions will not reduce the meaning of the Helsinki conference.

For us, it is important to always be on top of the political struggle, and to convince all men of good will of the just nature of our policies, of our certainty in the future. We are open to the world in our struggle... It is important to win all men to the side of our struggle — as decided at the Ninth Party Congress — and not allow our opponents to be left in unclarity on the effectiveness of our state power, our defense and security organs. Today's edition of Die Welt (West German ultra-right wing Springer Publisher House daily —ed.) reports with major headlines of the Federal Republic Secret Service on the situation in the GDR. These remind one more of Grimm's fairy tales than of reports from the highly paid agents of the FRG. We have no intention of publishing reports from our secret service on the situation in the FRG, in the Bonn government, in the Christian Democratic Union-Christian Social Union leadership or of the Bonn Defense Ministry. There remains no doubt, however, that we are in fact much better informed. That makes us optimistic...

## "East-West Trade Needs Credit"

*Sept. 10 (NSIPS) — The following is excerpted from an editorial appearing in the Sept. 7 West Germany daily Süddeutsche Zeitung.*

In the past, the socialist countries have proven that they have promptly paid their debts. And for the present, nothing can be intimated from the fact that the treaties that have been signed with the East on the basis of commodities supplies are a much more considerable risk than, for example, the recent currency loan to Italy. . . . It must be taken into account, that the people on the debtor's side obviously have no intention of over-using their credit cards. And this is shown by the fact that the trade surpluses against the East Bloc have considerably decreased in 1976. . . . The argument, that the West is making it easier for the East to arm through a credit policy that is much too generous may be objectively correct when considered generally, but nevertheless the Federal Republic of Germany alone cannot correct this. Every order that German industry is unable to sign because it lacks credit, is written up somewhere else. Otto Wolf von Amerongen (a leading Atlanticist-ed.) who has been called upon by Economics Minister Friderichs to be the crown prince of the sense and nonsense of evaluating credit, has even warned of an about change in terms of employment policy. But those who have advocated this have seen themselves isolated by their alleged allies in the economy. . . .