* Increased taxes, including 1.1 billion francs more in business taxes.
* An increase of payments by employers and employees to the pension and health insurance programs of the social security system.

Reactions to Barre's Program

The Managers' Association CNPF

"The struggle against inflation is inseparable from the economic upturn. That is why we must give back to the firms their full management freedom, as rapidly as possible."

Gaullist Deputy Maurice Papon

"Global and coherent. . . . The tax increases are primarily going to hit known revenues, namely wages, and the firms, the engine of the economy. That is why investment stimulation must be reinforced."

Former Prime Minister Antoine Pinay

"If that's all it is, it lacks imagination. . . . All this is not really oriented toward the struggle against inflation. It is more fiscal than anti-inflationary. . . ."

Socialist Deputy Claude Estier

"This plan only includes conjunctural measures, none of which corresponds with a desire to make the structures of hte French economy healthier."

Gaullist Leader Michel Debré

"Doctor Barre has arrived. . . . One must not be surprised if the remedies seem severe and if, through some of its reactions, the social body is somewhat shocked by the medication which is being imposed on it. We were on the verge of runaway inflation. . . . A second round will soon be necessary. . . . To abide by what has been announced will soon appear as a conjunctural policy with effects too limited in time to be the expression of a lasting recovery. . . . The Sept. 22 plan slows the clock down and is allowing us to gain a little time so we can pursue the effort and resume the policy of the Fifth Republic's beginnings. But the struggle for national salvation cannot be divided. It fails if it is not global, technically as well as politically."

Italy Prepares Debt Moratorium for Cities, Industry

Sept. 24 (NSIPS) — The finance committee of the Italian Chamber of Deputies unanimously adopted a motion put forward by the Italian Communist Party for a de facto moratorium on all municipal debt throughout Italy. The plan, reported in the Turin daily La Repubblica yesterday, postpones the municipal debt until the year 2,000 and involves a nominal 1 per cent yearly interest rate to be paid by the federal government. "Even this 1 per cent interest," Repubblica commented, quoting "observers" of the parliamentary debate, "will not be paid."

Repubblica, controlled by Atlanticist Agnelli, admitted that the debt moratorium plan was supported by both the Communist Party and the Christian Democrats. The moratorium is euphemistically termed a "consolidation," but as the Repubblica headline blared, "Either Cancellation of the debt or the City Councils Will Sink."

The Milan daily Corriere della Sera yesterday proposed a parallel postponement of debts for Italian industry. In a guest column on the financial page, Professor Rivosecchi outlined a "postponement of the short-term debts to long-term debts as well as the establishment of a 'pause' of certain repayments" for the industrial sector. Rivosecchi counterposed his proposal to the recent plan put forward by former Bank of Italy governor Guido Carli who called for consolidation of industrial debt that in effect would put the banks in charge of Italy's bankrupt industries. Carli, a long-time Rockefeller associate, had referred to his plan as a "debt moratorium."