

### *Italians Seek European Coordination*

The Italians, the host delegation who are presently under intense pressure from the IMF to adopt austerity measures which would wreck any hope of industrial recovery, used the occasion of the summit to press for European economic and monetary unity. This subject was specifically discussed by Prime Minister Andreotti during the talks, Foreign Minister Arnaldo Forlani reported to the Italian Parliament.

At the same time, the Italians mounted a vigorous public organizing campaign in support of their position. The Italian Communist Party, which substantially controls the national trade union movement, over the weekend attacked the IMF in the party press and called for European-wide coordination to ensure economic growth in cooperation with the Arab oil producers. The PCI's daily, *Unita*, on March 27 issued a resolute refusal to accept IMF intrusion into internal Italian economic affairs, arguing that all monies paid to or deposited in the IMF go toward the bailout of the dominant (Rockefeller) American banking consortia.

Similarly, on the first day of the summit, the daily of the Italian Christian Democracy, *Il Popolo*, published an editorial appeal to the gathered European leaders to ensure the success of their policies by opting for a bloc to

bloc agreement with the oil producers that would give Europe the economic basis for generating an autonomous industrial recovery policy free of U.S. domination.

Also on March 25, Italian Treasury Minister Gaetano Stamatì voiced his government's views in an article in the Milan newspaper *Corriere della Sera* in which he proposed the immediate implementation of a European reserve currency to flank the dollar. This parallel currency, he stated, would aim at establishing a system of fixed parties which alone, "as my considerable experience has taught me," can ensure a stable development of international trade. Similar views were expressed in private by the top leadership of the ruling Italian Christian Democratic Party.

In West Germany, top spokesmen from the federal Finance Ministry and the banking system have informed reporters that they fully understand the nature and substance of the present crisis. One of the top executives of a large industrial conglomerate reported that "there is absolutely no question of giving in to the IMF. It is absolutely clear that we can't have a recovery with the present monetary system." An aide to the president of one of the major West German banks concurred: "There is no way that the IMF bailout scheme could be brought on line before the entire monetary system blows *by the end of this year.*"

## Andreotti Survives IMF Agreement

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### ITALY

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Italian Prime Minister Giulio Andreotti has succeeded so far in maneuvering his cabinet out of a government crisis amidst heated negotiations with the trade unions to approve International Monetary Fund conditions for a \$530 million loan to Italy. The negotiations were prompted by the trade unions' refusal to accept cuts in the cost of living escalator which would virtually eliminate COL altogether.

The final agreement, however, approved by the IMF, does not change in any significant way the austerity implications of the demands. The government agreed to revoke the clause annulling the cost of living escalator while the trade unions agreed that future increases of public transport and electricity rates — expected to skyrocket soon — will not be included in the basket by which COL is calculated. The negotiations were highlighted by the unexpected overnight flight of Italy's Finance Minister to Washington for IMF acceptance of the modifications to its "Letter of Intent."

Since the end product of the negotiations has no basic practical differences with the effect of the demands both parties had set out to "modify", the real issue at stake is not finances but *politics*. Italian bank officials in New York admit that the IMF is out to overturn Andreotti's government with Senate President Amintore Fanfani

and Christian Democrat President Aldo Moro acting as the inside agents. The real issue is how to rock the government with maximum efficiency in order to knock his underpinning, the Italian Communist Party (PCI), out from under him. In the words of a high-ranking U.S. Treasury official, "the IMF will only get stability by bringing down the (Italian) government."

Simultaneous with the tense government-trade unions negotiations, a new wave of terrorism was unleashed March 30 with clashes between "left" and "right" wing terrorists reported in Rome and Milan while violent incidents mount throughout the country. Yesterday the head of the government's printing office was shot in the legs by a terrorist commando, and fascist snipers were shooting Communists in Rome. Today 3,000 "autonomists" (fascists) attacked the CGIL — Communist trade union — offices in Milan and began an unsuccessful occupation of the building. Strikes are being planned for next week which no doubt will elicit counter-demonstrations following past patterns. Giving the green light, Red Brigades creator Francesco Alberoni authored an article in *Corriere della Sera* "predicting" that Italy is heading toward an immediate explosion of "urban guerrilla warfare."

The terror scenario has its "political" counterpart. Former Finance Minister Visentini — a long standing ally of the Agnelli family — stood up today in Parliament to attack Andreotti for being a pawn of the trade unions. He was followed by Fanfani, backed by Moro, who at

tacked the Prime Minister for attempting to act over Parliament's head regarding relations with the labor movement. Early this month Fanfani nearly accused the government of encouraging public disorders. With these moves the IMF — as recognized by Italian officials — is attempting to set up a center-left coalition government without Andreotti and the Italian Communist Party. Italian radio today warned that Italy's current government situation looks very much like that of Indira Gandhi — thus, Italians had better draw the right conclusions.

#### *Why Topple Andreotti?*

While the IMF's loan blackmail and accompanying destabilizations have severely weakened the Andreotti government, it has succeeded neither in destroying the political power of the Italian Communist Party nor in silencing the Andreotti government's commitment to a new monetary system and expanded trade and development. Talking to the European chiefs of state at the European Council meeting held in Rome earlier this week, Andreotti repeated Finance Minister Gaetano Stamatì's call last week for a gold-backed, European currency to substitute for the dollar as the reserve currency. Andreotti further called for a European-wide approach to such problems as unemployment, and industrial and energy development.

The PCI, on its part, continues to campaign for an Italian energy policy, independent of U.S. control in both *Rinascita* and *Unità*, its major publications. In a feature article two days ago, *Rinascita* charged that Italy had no

cogent energy policy "since the time of Enrico Mattei" — the anti-Atlanticist former head of ENI who during the 1950s, until his death in 1962, led the fight against the oil majors. *Rinascita* noted that it is well known that the environmentalists' "anti-fission campaign is financed by the oil companies." In an article written by PCIer Siegmund Ginzberg in *Unità*, declared that the IMF is an institution which, although bankrupted, is trying to impose "letters of intent" while the debt problems continues to grow to dangerous proportions. Nobody should forget, warns Ginzberg, that the 1929 crash was caused by the U.S. policy of having the debt paid.

Yesterday the Andreotti-linked paper *Il Tempo* featured a front-page interview with Giorgio Napolitano, correctly described as second only to General Secretary Enrico Berlinguer within the PCI. Napolitano stated in part: "I think that (regarding the PCI's NATO policy — ed.) we should feel increasingly responsible for a policy of active participation by Italy in the solution of all problems posed to the EEC ... (We want) an increasingly incisive European role within NATO and, generally, in the development of détente ... to arrive ultimately at the superseding of both (the Warsaw Pact and NATO) blocs.... We go beyond (Marxist) dogma because we take into account the problem of development and transformation of advanced capitalist societies.... We can, and must, use (Italy's state sector) for democratic planning, to guarantee socially advanced action of a socialist type, and a comprehensive development in the general interest."

## New French Government Gives Gaullists Greater Maneuvering Room

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### FRANCE

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French President Giscard d'Estaing last week removed top representatives of the three political parties which make up the ruling coalition, Interior Minister Poniatoski (Giscard's Independent Republicans), Minister of Regional Planning Lecanuet (Centrist), and the Minister of Justice Guichard (RPR Gaullist). The State Ministers were replaced by what the French press called "technocrats" supposedly to lessen the open strife between these parties.

The major features of the political situation which have emerged with the formation of the new cabinet call for the following conclusions:

1) Giscard has in effect recognized the impossibility of governing with the support of representatives of a disunited presidential coalition. The growing tensions between the Gaullist party on the one hand, and the Atlanticist parties on the other, were prohibitive of any united governmental action.

2) This fundamental contradiction between the pro-development tendency represented generally by the Gaullists, and the monetarist faction represented by the now-deposed Poniatoski and Lecanuet, will not magically disappear as a result of the change in government. Although the cutthroat exchanges within the cabinet itself may be eliminated, they will be increased in the National Assembly, where the rival parties, now with no major government representation, will have much more leeway for their mutual hostilities.

This second phenomenon will soon be verified when the Assembly will be called on to debate certain key issues this spring, in particular the dictatorial statutes of the International Monetary Fund and France's position with respect to the project for a supranational European assembly (both staunchly opposed by former Gaullist Prime Minister Debré and supported by Giscard). Should Giscard try to bypass these confrontations with rule by decree he would be faced with a major constitutional crisis since his own popular mandate has been fast reduced to a smaller and smaller fraction of the population.

Chronic instability in France, exacerbated by recent