

Canadian Round Shows Minimal Success

Before meeting with Carter, Schmidt spent six days in Canada, speaking twice with Canadian Premier Trudeau, and also holding a series of closed sessions with regional officials. During these talks, marginal success was achieved by the West German delegation in convincing the Canadians to break an embargo agreement with the United States, whereby both countries have refused to export uranium for nuclear reactors.

Schmidt is reported by West German press to have taken a hard line with the Canadians. However, according to Canadian Foreign Minister Jamieson — a known operative for the Carter Administration — the preliminary agreement reached with Schmidt to resume Canadian shipments of uranium to the European Economic Community is very tentative, and will only be

signed if the West Germans agree not to re-export the uranium to chief contractors, like France.

Responses in the West German media to the Washington stopover have been guarded so far. The industrial daily *Handelsblatt* headlined its report, "The Fight is No Longer in the Open," and emphasized that none of the controversial issues were allowed to come up. The *Frankfurter Allgemeine Zeitung* noted with concern that "détente has become quiet," and that U.S. foreign policy is responsible for the present "low-point" in relations to the Soviets. *Allgemeine* editor Harry Hamm correctly remarked in addition that the Soviets appear to have responded to Carter's ploys by strengthening ties to Western Europe as much as possible. But, Hamm made the devastating mistake of claiming in the same breath that Carter is an extremely popular U.S. President.

Carter Steps Up Terrorism To Stop DC-PCI Economic Program

ITALY

On July 13 the head of the large center faction of the Italian Christian Democracy, Flaminio Piccoli, stood up in Parliament to announce that he had received "direct and indirect" information that Italy was scheduled to be the scene of an imminent wave of terrorism of completely unprecedented proportions, and consequently drastic measures must be taken if a bloodbath were to be prevented. Piccoli's warning came on the heels of an escalating round of grisly shootings throughout the north conducted by the Red Brigades extremist countergang, and days after Jean Paul Sartre led an attempt to drape terrorism in a veil of legitimacy by labeling the Italian government a "police state."

The trigger for the scheduled Italian terror wave is the successful conclusion of a programmatic agreement between the ruling Christian Democracy (DC) of the Prime Minister Giulio Andreotti and the Communist Party (PCI). Although formally including four other political parties, it is well known that the recently signed agreement is in fact a bilateral DC-PCI effort formalizing a close alliance that has existed since the formation of the present government in the summer of 1976.

Earlier this month the Andreotti-allied wing of the Christian Democracy, which includes the group around Piccoli, succeeded in drafting a joint program with the Communists that established the guidelines for government policy in all major areas of domestic policy. With the signing of the programmatic document, the shaky pro-development coalition of Premier Andreotti for the first time has been placed on a solid footing, with enormously enhanced powers to pursue a policy course whose hallmark has been anti-Atlanticism from its inception.

Although the precise terms of the agreement have yet to be made public, some key included features are sufficiently well known to establish the nature of the policies it is based on. One of these is the bill known as Law Bill 382, now in Parliamentary committee. According to PCI Central Committee member Armando Cossutta who drew up the bill, it aims at creating the bureaucratic infrastructure for more efficient national economic planning. Bill 382 would simultaneously curtail the independent powers of key ministries, powers which have allowed the holders of these ministries to effectively sabotage key aspects of Andreotti's programs. Industry Minister Donat Cattin, for example, is violently opposed to the bill's passage. Not accidentally, Donat Cattin is known by Italian political insiders to be part of the retinue around the Agnelli family of FIAT fame, the leading representative of monetarist and hence, anti-Andreotti policies inside the country.

Behind the Threats

There is no doubt, however, that something rather more substantial than the formal content of the DC-PCI program is responsible for the sudden threats of retaliation which have been launched against the Andreotti government of late.

Thinly veiled threats have been issued by the Carter Administration, whose abrupt about-face on the subject of Eurocommunism has been extensively commented on by the Italian press. While the DC-PCI agreement was still under negotiation, Secretary of State Vance gave an interview to Italian daily *Il Tempo* reserving for the United States the right to issue strict sanctions against Italy if the PCI was allowed into the threshold of government. This policy reversal away from Carter's earlier promises of non-interference was once again reiterated by Kissinger and Brzezinski during their July 14 meeting with West German Foreign Minister Hans Dietrich

Genscher. In a blatant attempt to gain West German cooperation in opposing the PCI government alliance, Brzezinski and Kissinger warned Genscher that "communist participation in European governments would call for on the scene unpredictable plans or decisions by the U.S. Congress."

As the very different position of the U.S. Administration toward the infamously Atlanticist Spanish Communist Party chief Santiago Carrillo demonstrates, it is not the abstraction of so-called "Eurocommunism" which is at issue. It is the fact that Italian communists with their relatively recent pro-development orientation are aligning with the similarly anti-monetarist Andreotti that has prompted public threats from the White House. These are already on their way to realization through the promised wave of unprecedented terrorism warned of by Piccoli and prepared by Atlanticist puppet and fascist apologist, Jean Paul Sartre.

Sartre, whose political antecedents are documented elsewhere in this publication, in early July drafted a letter to the gathered world leaders meeting at Belgrade denouncing rampant violations against "human rights" by the Andreotti "police state." The Italian Communist party was also included in the denunciation and accused of "betrayal" because of its close cooperation with the government. Such prestigious Italian newspapers as the Milanese *Corriere della Sera* exposed via its Paris correspondent that Sartre and his French "intellectual" cronies had taken this action in conjunction with a group of similar Italian "intellectuals."

Included among these was the infamous Francesco Alberoni, already exposed by the magazines *Giorni Vie Nuove* and *Il Settimanale* as being the creator and controller of the Red Brigades, the most infamous Italian terrorist gang and the same group which over the past two weeks has maimed a number of individuals including a priest, a bookkeeper, and others by emptying pistol cartridges into their legs. Lotta Continua, whose connections with the Red Brigades and other terrorism is also well documented, was another among the Italian "political" grouplets which acclaimed Sartre's initiative, going further to spell out its implication. Accordingly, Lotta Continua's paper featured an editorial last week explaining that since the Andreotti cabinet was now

publicly recognized to be an outlaw "authoritarian" government, any and all acts of terrorism and the like were the legitimate political recourse for opposition factions.

Italian Foreign Policy

The reason for this drastic and transparent counter-gang mobilization becomes obvious when the active policies of Andreotti and his PCI allies is considered, together with the *political* implications inherent in the signing of a formal agreement establishing the PCI as a party no longer in the opposition. As expressed by Foreign Minister Arnaldo Forlani on July 10, "the six-party agreement strengthens the international role of Italy."

The thrust of Italy's current foreign policy is the development of increasingly stronger ties with the Soviet Union, particularly financial and economic ties. In this regard, Italy under Andreotti has been on the international forefront in pushing for the development of East-West trade. Most significant, however, the Italian government with the support of the currently hegemonic layers among the PCI leadership are very actively seeking to finance that trade in transfer rubles, moving towards this solid currency as the alternative to the bankrupt dollar. While this fact is only too well known to financial analysts among New York monetarist circles, it has also begun to break open into the press. On July 9 the president of the Italo-Soviet Chamber of Commerce Nicolo Gioia, an outspoken supporter of the transfer ruble alternative, announced that Italy is currently negotiating with Moscow for sizeable credits (\$500-700 million) in transfer rubles, and that the negotiations were nearing a successful completion. Gioia's statements were covered in headlines in *Corriere della Sera* and the financial daily *Il Fiorino*. This announcement was the first public admission of information widely known throughout top Italian banking and political circles. It was subsequently followed up with a series of articles in such press outlets as *Il Sole 24 Ore*, the official publication of the industrialists association, exposing the bankrupt state of the dollar and the highly-indebted U.S. economy, comparing the present situation to that preceding the crash of 1929.