

Istituto Affari Internazionali

"Italy and the Changing European-American

Relationship" Bologna, 18-21 Nov. 1976

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ITALY AND THE CHANGING EUROPEAN-AMERICAN RELATIONSHIP

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Bologna, 18-21/XI/1976

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Suzanne Berger  
October 1976

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Four months after the critical elections of June 1976, the Italian political and economic situation looks to a foreigner not so much different as worse. Certainly, important new elements have emerged out of the elections and out of the government-opposition relationships that have developed in their wake. But the impact of what is new in the current situation has by and large been to reveal the depth and intractability of Italy's basic troubles. Despite hopeful signs in the performance of government and in the public response to the announced austerity measures, nothing yet has changed that is likely to reverse economic decline and political paralysis. Indeed, some of the changes since the elections may make political and economic problems more difficult to resolve.

First, the immediate consequence of the elections was to contribute to a further rigidification of the political system. The elections, provoked by the Socialists in order to break a stalemate on the abortion issue and on economic policy, have in fact created more problems than they solved, for the returns strengthened both the Christian Democrats and the Communists and drastically reduced the minor parties on which the coalitions and flexibility of the past three decades depended. The losses of the small parties that had been regular alliance partners of the DC now make it impossible to build a center-right coalition, while the Socialists' failure to advance has strengthened their opposition to returning to center-left alliances.

The bipolarization of Italian politics, far from simplifying the problem of creating a viable government, has made it more difficult. The resemblances to Britain, West Germany, and the United States, where dominant two-party systems have produced a stable alternation between government and majority

parties, are misleading in the Italian case, for here there is no consensus on the legitimacy of participation in government of the major opposition party, the Communists. Leaving aside the question of international reaction to a Communist government in Italy, even for many Italians the Communists do not represent an acceptable alternative to Christian Democratic rule. While the presence of Communists in the presidency of the Assembly and at the head of important parliamentary commissions suggests some significant new measure of acceptance and recognition of their national role, still, participation in government seems to represent a symbolic threshold which the Communists are no closer to surmounting than before the elections. The apparent success with which the DC stressed anti-communist themes in its electoral campaign and the re-entry of the Church into the arena with warnings about Communism all indicate that the issue of the integration of the Communists into the political system is far from resolution. Given the erosion of the small parties and the continuing exclusion of the Communists, the area of maneuver for DC governments continues to shrink. As the proponents of early elections had hoped, the elections did indeed serve to reveal the real relation of forces among the parties, but the great clarification has made government more difficult than ever.

The second major change resulting from the elections has been in the PCI's role in government. Here, too, the impact of a new fact — the PCI's 7% increase over its 1972 vote to 34.4% of the electorate — has been to reinforce and accelerate a process already long in the making. The PCI's new leadership role in the Parliament and the increased frequency and publicity of the government's negotiations with the PCI amount to open recognitions of the Communists' critical role in making the system work. While

the PCI decision to abstain in the vote of confidence on the Andreotti government and the DC consent to Communists in key parliamentary positions are events of considerable symbolic significance, in fact the PCI has been providing major support to the DC in Parliament — and the DC has been accepting it — for a long time. (In the postwar period, the Communists have supported three-quarters of all legislation, and in the past few years, the rate of PCI support has been even higher.)

The new relationship between the PCI and the government has had some advantages for both sides. For the Christian Democrats, it has meant the possibility of forming a government with the old cast of characters and the opportunity to use PCI support for austerity measures as a way of neutralizing union opposition. For the Communists, the new state of affairs has meant a step towards recognition of a legitimate role in national government that looks like progress towards the compromesso storico. But what is striking, after only a few months of the experiment, is how little the new arrangements have solved and how unstable cooperation on this level is likely to be in the long run. For the DC, which at this point appears to have won the lion's share of the benefits of the deal, the relationship with the PCI means a continuation of a high level of intraparty fighting over this issue. Many of the new men elected on DC lists in June appear to be lining up with the wing of the party that has most strongly opposed concessions to the Communists on governmental participation, and the strength of this faction means that the Andreotti government remains very vulnerable to sabotage from within the party.

Moreover, what the government most needs from the Communists — keeping the labor movement quiet — seems more and more problematic. Despite the

extract compensations or counterparts for sacrifices that will largely be paid by the lower and middle classes. This situation is reflected in the growing restiveness of party members and in the rising level of protest from the unions. One line of criticism within the party has been to argue that the severity of the economic crisis and the kind of austerity policies needed make it impossible to distribute economic counterparts to the working class.

government's apparent success in getting PCI support for major aspects of the austerity program, opposition from the labor movement is rising. The unions have made important concessions to the government, particularly on the wage freeze, and their willingness to sacrifice points long held to be central to union programs can hardly be imagined without the Communists' direct part in negotiating the austerity package. But it is not at all clear how much more the Communists will be able to deliver on the labor front. The radicalization of the UIL, the mushrooming of "independent" unions, and the increasing level of discontent in the two major union federations are evidence that the DC will not be able to count on the PCI's controlling labor unrest. And so the pay-offs from the new relationship of publicly-acknowledged negotiations with the PCI may well diminish for the DC in the period ahead.

For the Communists, the battle over whether the costs of the new arrangement outweigh the benefits has already begun. The advantages have largely been reaped in the form of recognition and legitimation of an enlarged share of PCI power in national government, while the price continues to be paid in the form of PCI support for the government's economic policy. Though the PCI has had the satisfaction of being directly and openly consulted by the government on the austerity measures, the concessions it has been able to wrest for the working class have been small. The PCI has not been able to extract compensations or counterparts for sacrifices that will largely be paid by the lower and middle classes. This situation is reflected in the growing restiveness of party members and in the rising level of protest from the unions. One line of criticism within the party has been to argue that the severity of the economic crisis and the kind of austerity policies needed make it impossible to distribute economic counterparts to the working class.

But in exchange for the party's assuming responsibility for these sacrifices, and in order to guarantee that they in fact contribute to establishing a more productive economic system, the PCI ought to have a more direct role in government. Another group of critics in the party argue that the party has already gone too far in assuming responsibility for the government's program and in abdicating its oppositional role. The prospects of participation in government are distant, and so if the party continues to allow itself to be coopted into measures to refloat the system, it will succeed only in losing the support of the masses.

However opposed these two positions may be on party strategy, they both agree on the instability of the current situation and on the dangers to the party of continuing relations with the government on the model of the past four months. The dangers are most obvious in the unions, where leaders who had subscribed to the Communist view about the necessity of subordinating demands for higher wages to programs to relaunch investment, employment, and restructuring of industry are coming under attack from their own members. In a union movement in which the possibilities for transmission of demands from the base to the top have been increased over the past decade by democratization, it will be hard for leaders to hold out against strong grass-roots pressure. The big unions also for the first time face a real threat from the rapid growth of independent unions, outside the major federations, that reject "global" societal programs and focus narrowly on the bread and butter demands of their own members. Since these independents are having their greatest successes in organizing better-paid workers and middle-class employees, the threat that the unions and the Communists perceive is not only one of encroachment on their membership, but even more menacing, of a mobilization

of the middle-class on corporatist, right-wing lines. It is hardly surprising that the Left, deeply marked by the experience of fascism, sees the development of these unions with extreme alarm.

The second and more long-term danger from the PCI perspective is that the current relationship, far from representing the first step towards compromesso storico, is a step that leads nowhere, and that the party will end up being used by the Christian Democrats. How high one estimates this risk depends on how likely or unlikely one considers some form of compromesso storico in the foreseeable future. While it is difficult, for this foreigner at least, to understand how the PCI sees this issue, one can list some of the reasons why groups in the PCI may believe or come to believe that the compromesso storico is highly improbable in the next few years. These reasons fall into three general classes: first, as mentioned above, the opposition of non-Communist Italians to PCI participation in government continues to be quite high and in the DC in particular, there are no signs of a shift in the balance of power within the party that might favor such an outcome.

Secondly, the international reactions to a Communist participation in government would likely be so negative as to be greatly disruptive to any Italian government that attempted the experiment. The international response to the election of Communists to leadership positions in the Parliament does not provide contrary evidence, since in the eyes of the foreign countries with most impact on the fortunes of Italy, the symbolic significance of ministerial posts in government is of altogether different magnitude than that of parliamentary posts. While it is true that foreign reaction to the Italian Communists has gradually become less hostile and likely that a Democratic



administration in the United States would be less actively antagonistic than its predecessor, still, one should judge cautiously the changes that have taken place and be wary of underestimating the deep suspicions that remain. Even among those in the American foreign policy establishment who understand the PCI fairly well and who are most open to the prospect of an Italian government with Communist ministers, there remain two fundamental sticking points. First, it is believed that with Communists in government the status of the NATO bases in Italy would almost surely have to change, if only to reduce the privileges Americans now enjoy on them to a level more consistent with those exercised in other NATO countries. While it is possible to imagine some accommodation on this issue, almost any compromise would represent something less desirable from the U.S. point of view than the current status.

More important, even for relatively sympathetic American observers, familiar both with the PCI's frequent statements over the years about its commitment to political pluralism and with PCI behavior in the cities and regions it governs, the party's rules and practices with respect to its own internal governance arouse deep concern. The party's continuing refusal to allow the organization of opposition within the party, the relatively constrained character of individual expressions of opposition within the party, and the secrecy that surrounds the process of decisionmaking at the top all suggest that democratization of the party is still very limited. Without any illusions about the democratic character of intraparty decisionmaking in the other Italian parties, one can still wonder whether a party whose commitment to living with opposition within its own ranks is so weak would be willing to live with it within the system at large. On this point, the party's response that democratic centralism assures the PCI a higher degree of efficacy than other Italian parties is not a response that provides much

reassurance to those who fear, precisely, that when and if pluralism and effective action came into conflict, the party once in power would be prepared to sacrifice the former for the latter. For these reasons and others, in the United States and in the rest of Western Europe, the international response to a compromesso storico continues to be very negative.

Finally, not only the likelihood but the desirability of entering the government in the near future will surely be a point that is increasingly called into question within the PCI. As it becomes clearer that the revival of the American and German economies will not rescue the Italian economy from its deep crisis, Communists are bound to question what role they should play in a period of austerity, deflation, and decline. The prospects for the Italian economy are grim, for its chief problems --- the weakness of investment over the past decade, the failure to develop new middle-range technologies, the increasing competition Italy faces from less-developed countries in export markets based on products using cheap labor, the high price of labor in Italy's modern sector, enormous public indebtedness --- are not likely to respond to policy over the short-term. Many of the most negative aspects of the economic situation will be extremely difficult to reverse. For example, while government plans for industrial reorganization remain vague and rhetorical, a real restructuring has been taking place, with a decentralization of production out of large plants with high-wage, unionized workers into small shops with more flexible, less well-organized and less well-paid labor forces. Both with respect to social justice and to increasing productivity in the economic system in general, such a development has largely perverse effects, as Giorgio Fuà has shown in his recent work on employment and productivity (1976). But to reverse this trend would, at this point,

require major structural changes in the economy. In brief, even on the most optimistic of views, a long, hard period lies ahead. The economic crisis, like the elections, has revealed more problems than it created. While the structural problems of the Italian economy are far more visible than before, they are not any the more tractable.

For all of these reasons, domestic and international, it is quite likely that the belief that entry into government is within reach and the desire to seize such an opportunity when presented are both likely to decline in the PCI. If this proves to be the case, then PCI commitment to the current relationship with the government is likely to become more contingent on substantial policy concessions and its general support for the government may already have peaked.

In sum, to a foreign observer of the Italian scene in the fall of 1976, the relationship between the DC and the PCI seems more likely to wane than to flourish, and the instability of the current Italian political situation appears its most salient feature. And yet, it is even more difficult to see what real alternatives either side has to a continuation of the present relationship.

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ITALIAN ECONOMIC SITUATION : THE CURRENT OUTLOOK

Professor Marcello de Cecco.

The judgement of the current economic situation in Italy depends on what data one wants to consider important.

A look at industrial production figures, for instance, will reveal that Italian industry has abundantly come out of the doldrums of the slump the international economy suffered in 1974 and 1975. The peak levels of 1974 were regained in the first half of 1976 and the general industrial production index is now, at the close of 1976, quite a bit higher than that. No other European country has done as well. This is particularly true of the countries members of the "snake".

The same applies to unemployment figures. Italian unemployment figures are notoriously unreliable, but one can confidently assume that they underestimate in slump as well as in boom. Overall, therefore, the official data can be taken as an indicator of some sort. If we believe them, we see that Italy went through the slump without resorting to much adjustment in employment. The OECD current figure of 3.5% of total labour force out of work in Italy compares very favourably with other European countries, where unemployment went much higher in the course of the slump and remains high, particularly in the case of the countries members of the "snake", Belgium and the Netherlands being the greatest sufferers.

At the close of 1976, therefore, the Italian production situation looks quite buoyant, and the same is true of the employment situation. Shortages are occurring in many sectors, industrial workers are in great demand and it is not unsafe to assert that unemployment almost

exclusively concerns high school leavers and particular areas.

On the export front, the news is equally satisfactory. Italian exports are not gaining a greater share of the international market, but they are expanding at the same rate as world trade. Some black spots exist like the stagnation of automobile and chemical exports, but in sectors as different as textiles and machine tools the situation is very good and in sectors where Italy traditionally dominates the international market, like footwear, leather goods, furniture, the front seems to be held quite successfully against the feared competition of the developing countries.

Enough about positive data. A very different picture from the rosy one which I have just painted can be sketched using other figures. Those concerning prices, for instance, are the most discouraging. The growth rate of retail prices remains, at about 17% for 1976, very far from that obtained in the countries of the EEC (with the exception of the U.K.). Again, with the exception of Britain, the fall in the international value of the Italian currency has no comparison with that of other European countries. Another negative statistic is that of imports. The income elasticity of Italian imports is now menacingly high. This is rather bad, particularly in view of the fact that Italy has a very slim foreign exchange reserve (one month of imports, or even less) and has to consider as non-usable, because of the well-known U.S. policy vis-à-vis gold, its gold reserves. The current account deficit of Italian payments is also made worse by the almost absolute freedom Italians have enjoyed (at least since 1945) to speculate

against their currency. Control over visible, invisible, and financial transactions has traditionally been sporadic at best, non-existent at worst.

The gap between foreign receipts and payments abroad has been filled, in the last few years, with the help of foreign loans, to the tune of about 17 million dollars. This recourse to foreign loans is traditional in Italian history and has become again mandatory after the well-known rise in oil prices. Up to then, to balance receipts and payments and to allow, at the same time, wealthy Italians the privilege of exporting their assets abroad had been possible, if increasingly difficult, for the Italian authorities. They had succeeded mainly because they forced, whenever necessary, Italian industrialists and traders to provisionally repatriate part of their foreign financial holdings, by sharp domestic credit squeezes which, in view of the extremely high level of short-term indebtedness of Italian industry and trade, had almost immediate effect, thus not costing very much in terms of production and employment.

Since 1973, this rather peculiar way of managing Italy's balance of payments has shown the thread. The course of the lira on the foreign exchanges has become unequivocally downwards, since the now structural trade disequilibrium was so large that to correct it would have meant cuts in demand and employment on a scale which the delicate Italian political balance could not have survived. Reasonably balanced budgets and low growth rates of the price level were also unashamedly sacrificed.

In short, Italy was, in the 1970's in no position to insulate itself from the inflationary push given to the world economy by two successive dollar devaluations and by the ensuing bagarre in the primary commodities markets of which oil is only the most important one, and the best known. It could not successfully stick to the "European Snake" especially because it had no foreign workers to send home and it was too crucially dependent on imported raw materials. Italy is the most efficient user of energy among the industrialised countries, but it imports more than 80% of the energy it uses. There was no way of going around this fact, at least in the short run. In addition, Italy has sacrificed its self-sufficiency in agricultural production in the name of the EEC's common agricultural policy. It has done so in the mistaken belief that intra-EEC balance of payments deficits were to be financed by a sort of EEC clearing union. But monetary union did not materialize, while the agricultural trade deficit became a structural one, and raw material price rises were never rolled back.

Because of the trade gap imposed by the new oil and raw material price situation, another traditional feature of the Italian balance of payments has acquired a dangerous quality. This is the seasonal pattern of Italian payments and receipts. Because of the importance of Tourism, the months from April to September are the brightest for our trade balance, hence for the lira. As Autumn sets in, oil stocks for heating and electricity are replenished, and so are other industrial stocks in view of the increased industrial activity after the Summer slack. Agricultural imports also increase, following the harvests in Europe and the United States. Receipts from Tourism become a trickle. Hence, severe pressures on the lira, as the seasonal

movements can be anticipated and speculation becomes a child's game.

A sufficiency of reserves would give the Italian authorities the possibility to straighten these seasonal humps, but official reserves are now scant and the Italian Central Bank has come to dread Autumn and Winter (when interest and re-payment of foreign loans also fall due) as much as the Bank of England did before 1914, when the "Autumn drain" punctually reappeared every year.

As in the case of the pre-1914 Bank of England, the Italian Central Bank is compelled to mobilise the private foreign reserves of Italian industrialists and traders, by squeezing domestic credit and by raising the Discount Rate. Lately, however, it has needed to add further measures to discourage imports, first in the form of an import deposit and then of a tax on foreign currency purchases to replace the former.

These almost compulsory seasonal credit measures have a more or less negative effect on the economy depending on whether they are pro-cyclical or anti-cyclical. This year they are, luckily, anti-cyclical, as the underlying tone of the economy is strong. But the structural problem of the Italian balance of payments needs a more durable solution. What is required - basically - is a large acquisition of foreign exchange by the Italian authorities, of the order of about 5,000 to 7,000 million dollars. The only way to get that is to float a gigantic issue of unredeemable dollar bonds, carrying a low coupon (something like 5%). Issued by the Italian Government they would be aimed not at foreigners but at those Italians whose liquid or semi-liquid balances abroad have been reckoned to be of the order of \$15,000 million, at least. As the dream of every Italian has been, and still is, to denomi-



nate his savings in dollars it is best if the Italian Government acknowledges that, and takes advantage from it.

A loan of that size on the security of Italian gold reserves would shore up the lira, which could be revalued by as much as 10%. Italian exporters are all heavy importers, and would need no great intelligence to understand that they would benefit from reduced import bills. They would also benefit indirectly, as the percentage of imported wage goods is also very large, and a stronger lira would thus reduce wage demands.

It is mandatory, however, that Trade Unions and employers agree to raise wages only according to movements in the cost of living index. A revaluation would not work beneficially if wages could be raised independently from the cost of living index movements.

All these measures are rather simple, and simple straightforward policies can only be pursued by a strong government which enjoys a stable majority. A weak government can only resort to complex measures, taken in the hope of hiding its weakness and pleasing everyone at the same time. Here is the real crux of the Italian economic situation, today as yesterday, as tomorrow.

THE CHALLENGE OF EUROCOMMUNISM - by Arrigo Levi  
for The Saturday Review - Oct 20th, 1976

Is Eurocommunism going to be more of a problem for the President of the United States or for the Secretary General of the Communist Party of the Soviet Union? Clearly, the progress of Eurocommunism has so far raised much greater worries in the West than in the East; but both Superpowers have shown misgivings as to the possible destabilizing effects of Eurocommunism on the "domestic" policies of the areas of the world more directly controlled or influenced by each one of them, as well as on the global balance of power. If it is true that one man's meat is <sup>100</sup> another man's poison, what displeases Brezhnev ought to please the American President, and viceversa. But things may not be that simple; Eurocommunism might be a challenge AND DANGER to both Superpowers, ~~and~~ <sup>4</sup> in any case, it remains to be established whose fears <sup>may</sup> in the end be more justified, what policies ought to be followed to minimize the damage of Eurocommunism to one's side, or help it in damaging the other.

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The first step, in order to clarify the terms of this problem as it may appear to the new American President (whose interests, I assume, coincide by definition with those <sup>100</sup> of the whole Democratic world) must be to try and define what we mean by Eurocommunism. Two main choices are possible. We may define Eurocommunism as a new ideology and a new political movement of world-wide relevance and impact, a new version of Communism, maintaining some of its aims but accepting pluralistic democracy and the Parliamentary system as essential ~~for~~ true Socialism, in strategic aid (not ~~purely~~ just in tactical

terms. Or we may define Eurocommunism as the policy followed by some Communist parties of Western Europe, Japan etc. at this particular time. I believe it is safer, for the <sup>100</sup> time being, to adopt the term in its narrower sense.

Eurocommunism starts with the Italian Communist Party. The ~~PC~~ <sup>Pci</sup> is the strongest Communist party in the West. It has obtained in the last elections (June ~~20~~, 1976) 34 per cent of the vote, thanks to a rather spectacular jump of about 6 points (against 38 per cent of Christian Democracy). The ~~PC~~ <sup>Pci</sup> is now supporting the Christian Democratic Government led by Signor Giulio Andreotti, which depends for ~~a~~ <sup>a</sup> majority on Communist votes, or abstentions. ~~Nearly all~~ <sup>Most of</sup> the biggest cities in Italy (including Rome, Naples, Turin, Bologna), have Communist mayors and <sup>100</sup> are ruled by Communist-led majorities. The same is true of some of the most important and advanced Regions. A Communist (Signor Pietro Ingrao) is President of the Chamber of Deputies; since the last election some of the most vital Parliamentary Commissions have Communist chairmen. The Communists dominate the most important workers' unions <sup>and</sup> are strong in cultural institutions; <sup>(they are no longer excluded from)</sup> the independent press and State television ~~air their views.~~ On the other hand, one must point out that, beyond ~~xxxxxxxxxxxxxxxxxxxx~~

Central Government, the majority of Italian cities and Regions, the Presidency of the Republic, the Bank, State industry, <sup>100</sup> nearly the whole of ~~State~~ <sup>the</sup> Administration (including the police and of course <sup>the</sup> Carabinieri), remain mostly under Christian Democratic control.

Still, the Communist share of power has become definitely larger. It is possible, though by no means certain and perhaps not even likely, that Italy may have Communist ministers even during the present Legislature.

The problem of Eurocommunism, ~~its~~ challenge to the Western democratic traditions, ~~as~~ well as to the solidity of Western international institutions, coincides today, ~~to~~ a large extent, with the problem of Italy, and the possibility of Communist participation in Government in Italy. It is true that in <sup>too</sup> France the Left, including the Socialist and Communist parties, just failed to get its candidate (M. Mitterrand) elected as President, and it may gain a majority in the next French Parliamentary elections. French Eurocommunism ~~is~~, in that case, <sup>Gould</sup> become an equally serious cause for worry in the West. It isn't yet, for <sup>various</sup> ~~two main~~ reasons. The <sup>main</sup> ~~first~~ one is that in France the Socialists are stronger than the Communists <sup>while</sup> the Pcf never got much beyond 20 per cent of the vote.

~~is already to see a~~ ~~Atlantic Alliance but~~ <sup>McAfee</sup> Somehow, it doesn't seem possible that M. Marchais' party may gain control over French politics. ~~still~~ <sup>too</sup> On the other hand, it must be pointed out that the French Communist party is a much newer and visibly "tactical" follower of Eurocommunism: its conversion <sup>(to the democratic ideals)</sup> is not <sup>at all</sup> very convincing.

Therefore, it is not safe to narrow down the problem of Eurocommunism to Italy alone. ~~and the problem of Italy is by far~~

~~.....~~ Difficulties might become ~~even~~ greater, and their threat of instability for the Western alliance ~~such~~ stronger, if "the Left" were to progress much further in France; <sup>the</sup> reciprocal influence between the two "Latin sisters" will be strong, <sup>and it</sup> ~~it~~ will also be felt in the Iberian peninsula. Still, for now the <sup>main</sup> problem of Eurocommunism ~~is~~ Italy.

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Ever since the Pci's access to governmental power became a possibility, Italy's allies have been faced with difficult choices. They were aware that the Pci became stronger thanks to the weaknesses of <sup>(Italian)</sup> democratic parties, <sup>(also as a result of the many</sup> ~~xxxxxxxxxxxxxxxx~~ failures of the Western democratic world, as a whole. Italy's allies were unable to help (directly, or by a better management of Western economic affairs) Italy's democratic parties, or force upon them the necessary reforms. They could only repeatedly declare their alarm at the state of Italy and the progress of Communism; <sup>(realized</sup> but they ~~realized~~ that their <sup>warnings</sup> ~~warnings~~ were considered by most Italians as "interferences" <sup>(and threats to Italy's independence,</sup> and ~~would~~ would produce, if repeated too often, negative effects. They also realized that, should Italy's democratic processes lead to some form of coalition <sup>(former)</sup> Government including Communists, any <sup>(former)</sup> commitment by Italy's allies to cut aid or take economic reprisals against such a Government might set in motion a fatal chain of consequences, leading inexorably to the very result which they <sup>would</sup> ~~wanted~~ to avoid: meaning,

the separation of Italy from the European and Atlantic alliances and institutions. There was a danger that the prophecies of doom repeatedly advanced by <sup>100</sup> Western statesmen as to the future of Italy under Communist influence, might become "self-fulfilling prophecies". [Therefore, in order to <sup>maintain a</sup> ~~maintain a~~ / certain flexibility of choices for the future, warnings and threats against a <sup>future</sup> "Communist government" (meaning a coalition Government including Pci ministers) had to be moderated. A difficult balance had to be struck between opposing needs. ~~giving~~ <sup>had</sup> giving the impression that Italy's Allies ~~had~~ <sup>have been</sup> resigned themselves to the inevitability of a Communist victory, ~~would~~ <sup>would</sup> be equally fatal, by damaging Christian Democrats and other democratic parties.

The result was that some Western Governments (particularly the Usa and Germany) <sup>(declared)</sup> ~~declared~~ <sup>100</sup> their alarm much more forcefully than others (Britain and France) whose policy was "non interference". At present, the Andreotti Government, although supported by the Pci, receives the usual amount of cooperation by its Allies. It must be added that, in spite of former warnings against Communist participation in Government, it is ~~xxx~~ generally believed in Italy (rightly or wrongly) that should this happen, no drastic counter-measures would be taken, at least in the short run, by Italy's Allies. But even Communists understand that <sup>the</sup> ~~consequences~~ <sup>consequences</sup> would, ~~be~~ <sup>just the same be quite serious,</sup>

It is felt that such a coalition government would <sup>100</sup> meet with

immediate and perhaps extreme economic difficulties, due to the natural reaction of Italian and foreign economic forces, <sup>including</sup> flight of capital <sup>and</sup> withdrawal of multinational companies: <sup>this would certainly happen,</sup> even if a Communist Minister of the Treasury were to prove better able to control union demands, than his Christian Democratic predecessor<sup>s</sup> ever were. According to such a scenario, the first problem for Italy's allies (assuming that no Italian withdrawal ought to be expected, either from Nato or the Eec: the Communist commitment on these points is clear, withdrawal would not be in their interest, nor could any kind of coalition be formed except under these premises) <sup>might</sup> be the following: ~~should they maintain,~~ <sup>stop</sup>

~~their support~~ of a (by definition) shaky Italian economy, <sup>had Federal</sup> with a "Communist" government, or Ministers? And should they avoid taking one-sided political steps capable to increase the general panic and tension?

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It is reasonable to expect that opinions would then be divided. Some would <sup>say:</sup> stop the rot, to the cost of expelling Italy from the Western Alliances, legally or otherwise. Others would claim that, Italy not being comparable to Portugal, and the fate of Italy still being undecided, all efforts should be made to <sup>keep</sup> ~~it~~ <sup>100</sup> it inside the Western institutions: why ~~throw~~ throw Italy "into the arms of Russia", unless this were to happen by itself?

It is possible that this second set of reasons would prevail, at least for a period of "trial", as the less obviously costly strategy; but ~~Western mistrust of~~ Western mistrust of

Italy~~x~~ could not be hidden, and some effects ~~would~~ <sup>would</sup> be immediately felt, ~~both~~ <sup>both</sup> upon the economy ~~and~~ upon Nato. The Pci has repeatedly stated that it doesn't want Italy to leave Nato, in order to avoid upsetting the global balance of power; Signor Berlinguer has also said ~~sixty~~ <sup>the</sup> <sup>100</sup> on the ~~ix~~ eve of last elections, that he deems it safer to build "Democratic Socialist" on this, rather than on that side of Europe. But the deep psychological links that still exist between Italy's Communists and Soviet Russia would leave great uncertainties as to the future "loyalty" of a "Communist" Italy, in case of future crises. Recently, upon such problems as Lebanon or Rhodesia, the Pci has somewhat automatically taken the usual pro-Soviet attitude. We cannot entertain great hopes ~~x~~ of a drastic change of policies ~~in the future~~ <sup>near</sup> in the future.

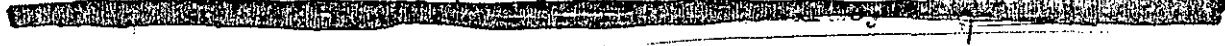
In this sense, ~~x~~ a weakening of ties <sup>with the West,</sup> a reduction of certainties ~~would~~ <sup>100</sup> be unavoidable ~~if~~ if Italy were to be ruled by a coalition Government including the Pci. The Western alliance would ~~be~~ <sup>Still, this</sup> be shaken and weakened. ~~would~~ would not necessarily justify immediate and dramatic initiatives by Italy's Allies (to what end?); it would suggest a wary "wait and see" attitude, at least in the initial stages.

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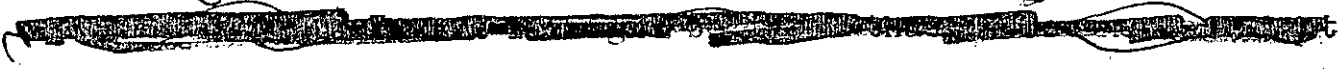
It is not sensible, at this stage, to go any further in the attempt to make forecasts. A warning is necessary against the widely held assumption that, being "Eurocommunism" a Latin affair, all of Latin Europe, indeed all of Southern, Mediterranean Europe, is



going to follow <sup>100</sup> ~~themselves~~ Italy's example and fate. Communists remain far weaker in France than in Italy, and even weaker in Spain, Portugal, Greece or Turkey than in France. Democracy is a ~~relatively~~ fairly rare form of Government upon the face of the Earth. But in the ~~Democratic~~ <sup>Western</sup> area of the world, which is also by far the most advanced, Communism remains a "local" movement. In the new European Parliament <sup>Communists will form a clearly regional, minority</sup> ~~the new European Parliament~~ grouping: an anomaly of the Left, a "Socialist heresy". Also, the cause of Democracy has lately been strengthened, rather unexpectedly, in Spain, Portugal and Greece. On the whole, <sup>100</sup> the Southern flank of Democratic Europe is not necessarily weaker today than it was a couple of ~~xx~~ years ago. <sup>(let us add that last)</sup> Communist supporters in Italy are sincerely (though confusedly) democratic. Many anti-Communist Italians (including the present writer) believe that Italy <sup>(would)</sup> ~~has~~ a chance of "staying West", and ~~is~~ remaining a democracy, even <sup>(preserved strong)</sup> ~~if~~ the Communists acquired <sup>(larger)</sup> ~~a~~ share ~~of~~ government power than they already have, <sup>(although)</sup> ~~the~~ dangers would be serious.



Eurocommunism cannot be considered a purely "tactical" device for the conquest of power, ~~it is~~ <sup>(quite a few people believe that this is what it is)</sup> ~~is~~ <sup>Italian</sup> The majority of democratic leaders <sup>100</sup> feel today that ~~there is~~ more <sup>to</sup> it than pure tactics



and make-belief. Eurocommunism might be a "maladie de croissance" for a country of "delayed development" like Italy. <sup>An anomalous,</sup> hybrid political movement for <sup>(Western)</sup> ~~an~~ anomalous, hybrid, ~~hybrid~~ democratic ~~xxxxxx~~ country. One cannot forget that Italy already was the original ~~xxxx~~ birth-home of what is today the most widespread ideology and form of government in developing countries: Fascism. In this old land, history is following <sup>unrealistic</sup> paths: few certainties can be held, Italy's future cannot be forecast judging from past events in other countries.

~~xxxxxx~~ <sup>we</sup> are <sup>facing</sup> ~~xxxxxx~~ unusual challenges and dangers, and can also meet unusual opportunities. Why should we lose faith in the value of democratic ideals, when we see how clearly they maintain all their original Revolutionary potential, not just in the West, but even more in the Communist half of the world? Democracy, not Communism, is the ghost haunting today's world. However imperfect and dubious, the "conversion" of Italian and other Western Communists to "democratic ~~xxxx~~ pluralism" is also a result of ~~xxxxxx~~ the influence of democratic ideas upon them, and upon Communism in general.

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~~At~~ this point, attention must be paid to what we offered, at the start, as an alternative <sup>100</sup> interpretation of the term "Eurocommunism": a new ideology, a heretical movement capable to influence Communist parties and regimes all over the world. <sup>which in a sense it is.</sup> This writer's view is that it is safer today to assume that "Communism is dead, but many Communisms are alive". <sup>t</sup> There seems to be a natural tendency for

Communist parties to split, if they only can, from the main body of Soviet-led Communism, in order to better develop their own national and ideological identity, once they are in power. Of course the Soviet Union is not in the least resigned to <sup>100</sup> such a state of affairs. Wherever it can, it will continue using force against all potential Dubceks; even now, it is trying once more to take advantage of economic difficulties in Eastern Europe to strengthen its hold upon the whole region (including Rumania, <sup>and</sup> perhaps ~~and~~ tomorrow Yugoslavia).

But this is ~~not~~ necessarily a proof of ~~the~~ Soviet strength and confidence in the solidity of Communist regimes. <sup>It may show exactly</sup> ~~the~~ the opposite, an awareness of not so hidden weaknesses. Soviet leaders are aware of <sup>the many) existing</sup> contradictions in the world they control: between economic progress and political backwardness; between national <sup>100</sup> interests; between Russian domination and the historic "Westward tendency" of most East-European nations. These men in the Kremlin have shown that they fear the influence of detente, ~~not have they hidden~~ <sup>134</sup> their dislike of the "Eurocommunists" of Italy, Spain, France, <sup>whose</sup> ~~whose~~ influence might be very bad <sup>upon</sup> ~~the~~ the "satellites" ~~as~~ <sup>such</sup> ~~such~~ they are trying to contain the spread of ~~their~~ influence: but the rules of this game are still unclear. Eurocommunism, in a sense, is an accident of detente, the product of a new "strategy of movement", which has taken the place of the traditional "trench warfare" of the Cold War <sup>100</sup> period. As such, Eurocommunism surely offers a

challenge- that is to say both dangers and opportunities- to both sides.

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Some Western experts believe that, even if Eurocommunism were to prove a "time-bomb" under the old structures of Soviet power, it would not help potential "liberal" reformers in Eastern Europe. On the contrary, by ~~xxx~~ weakening, at the same time, both American and Soviet power, the Eurocommunists would only manage to endanger the very foundations of peace and detente, that is to say the "status quo" and the global balance of force: <sup>as a reaction, 1/00</sup> the result would be an even more authoritarian turn in the history of Soviet power. It may be so: but all such detailed forecasts are ~~xxx~~ much too clever; in the end, history always turns out to be simpler, <sup>well</sup> as ~~xxx~~ as ~~xxx~~ richer in phantasy and invention, than any political scientist, <sup>the imagination of</sup> ~~xxx~~

~~xxx~~ And we can't forecast the <sup>influence</sup> of "personal" factors. At present, President Tito's great age is the most widely <sup>discussed</sup> ~~xxx~~ factor of such kind; <sup>but</sup> nobody can answer with safety the obvious questions: would post-Tito Yugoslavia stay independent from ~~xxx~~ Soviet power? And if it didn't, would this attract Italy's Eurocommunists once more <sup>100</sup> towards their muscovite Mecca, or would it instead precipitate <sup>in self-defence</sup> their Western choices, and make them final and irreversible?

If <sup>f</sup> faced with such question, we must admit that certainties are ~~xxx~~ scarce. For instance: we know that there are ~~xxx~~ today no acknowledged "Moscow men" in the leadership of the Italian Communist

Party; but Berlinguer's "moderation" meets <sup>with</sup> considerable misgivings and even open criticism inside the Pci. This "general line" cannot be considered unchangeable. <sup>74</sup>

So, we are left with purely negative assurances: ~~\_\_\_\_\_~~ <sup>above all, we know</sup> ~~\_\_\_\_\_~~ <sup>100</sup> going to be a factor of instability, not that the rise of Eurocommunism is ~~\_\_\_\_\_~~ and just in Italy, not just in the West, not just in Europe, for quite some time. To face this challenge, to take advantage of possible opportunities and avoid the obvious dangers, a new strategy will have to be invented, day by day. It is not safe to start with too many certainties. Automatic reactions, ~~\_\_\_\_\_~~ <sup>in accordance with the</sup> set of rules long established under the chapter "how to deal with Communism", might be just as wrong as denying <sup>all</sup> ~~\_\_\_\_\_~~ validity to past experience. Our motto (a sober one), might be: keep an open mind, and be wary.

<sup>100</sup> The many <sup>practically</sup> Communisms of today might be even more dangerous to <sup>the</sup> Democracy than monolithic Communism of Stalin times. Therefore, instead of spending too much time wondering about Eurocommunists (they may be a mystery even to themselves), <sup>the democratic West</sup> ~~\_\_\_\_\_~~ / ought to concentrate its attention upon the hasty construction and completion of Western and world-wide institutions, in order to strengthen our economies and our societies and <sup>contain</sup> ~~\_\_\_\_\_~~ within a more stable framework the ~~\_\_\_\_\_~~ great risks of Eurocommunism.

A well-managed international economy, an <sup>imaginative approach</sup> ~~\_\_\_\_\_~~ in the West to the ~~\_\_\_\_\_~~ problem of democratic government in advanced nations, would reassure <sup>100</sup> us about the future of countries affected

by Eurocommunism. The present state of international affairs, to be honest, is not at all encouraging. This may be an "interdependent" world; <sup>but</sup> it is also a world of discontinuity, where illnesses ~~spread~~ <sup>throughout the world,</sup> spread at electronic speeds, while cures are still, more often than not, provided separately and in great confusion by national governments, as ~~it~~ it was done ~~in~~ in the age of steam-power. An "institutional" approach to the problem of organizing a better management of world problems has ~~not~~ not received much attention (especially, but not only, by America) during the <sup>100</sup> last few years. A lot of time has been wasted; and in the atomic age, the supply of time is ~~not~~ not unlimited. 22

ARRIGO LEVI

The newest factor in the complicated interplay of political and other developments between East and West is Eurocommunism. A collection of all fundamental texts connected with Eurocommunism would ~~not~~ have to include <sup>not only</sup> ~~international~~ "documents", but also some international ones: like the common statements of 1975 by the Italian and French, and by the Italian and Spanish Communist parties, and the Berlin conference communique, which was the product of years of wrangling between the "Eurocommunists" and ~~the~~ Yugoslavs on one side, the pro-Soviet parties on the other: this was interesting not so much for what it said, but for what it left out, including the traditional formula ("proletarian internationalism") symbolizing Communist parties' allegiance to Moscow.

But also "domestic" documents, speeches, interviews, carry important international implications. In the case of the Italian Communist Party, a collection of texts (they would make a very thick book indeed), <sup>ought to</sup> ~~should~~ include a growing number of excerpts from the "bourgeois" press. Of these, the Berlinguer interview to "Corriere della Sera" of June 15 was particularly interesting. In answer to a question whether he felt that the Atlantic Pact would be "a useful shield behind which to build socialism in freedom" he said: "I do not want Italy to leave the Atlantic Alliance also for that reason, and not only because our departure would upset the international balance. I feel more secure where I am, but I also see that here, too, there are serious attempts

to limit our autonomy...Of course the Western system has less constraints". Although "Unità" left out, in reprinting this interview, some of the more revealing admissions by Berlinguer, it published, a few days later, the full text of a television interview by the party leader, where practically the same point (that the West is safer than the East) <sup>(FOR EUROCOMMUNISTS)</sup> was clearly made.

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However incomplete and diversified the new ideology and political strategy of "Eurocommunists" may be (in Italy, throughout 1976, the main subject for a debate between the Communists and the others was the concept of Pluralism, and the definition of what a Communist democratic State might turn out to be: Communists had obvious difficulties in explaining how Marxism and Leninism could be reconciled with Pluralism), the fact that a challenge to the "Soviet model" is issued by Eurocommunists is undeniable. Italian and French Communists still ~~stick~~ stick (as of October 1976) to the belief that the Soviet world is an example of "Socialism" (for that, they keep being ~~unwillingly~~ found guilty of "indifference" as to whether the values of pluralistic Democracy are or are not essential to Socialism: if they are in Italy, why not in Russia or Hungary?); in spite of their contradictions, they clearly feel that genuine, ~~by the way~~ Democratic Socialism could better be built in the West, rather than in the East; under American protection, rather than



under Brezhnev's iron law of "limited sovereignty". And they leave no doubts about their criticism of Soviet society, ~~which~~ whose lack of democratic political and personal freedoms cannot ~~be explained as a~~ for ever be explained as a "remainder of the past".

The Soviet leaders and ideologists are ~~very~~ clearly upset by these views and policies. Couldn't some of the "satellite" leaders be tempted to follow them? Aren't the "Eurocommunists" providing a ~~very~~ bad example, as well as potentially ~~another~~ a rival ~~an~~ international centre, ~~thereby~~ further reducing the diminished "Soviet area" of Communism? Wouldn't a Western Government including Communist ministers present as great a challenge to the stability of "Soviet Europe", as to ~~the~~ the stability of "American Europe"? During the years 1975 and 1976 the Kremlin ~~has~~ repeatedly looked as unhappy about the ~~very~~ political progress of "Eurocommunists" in Latin Europe as the White House. But are these fears (whose reality cannot be denied) justified?

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~~xx~~ One of America's top experts on Eastern European <sup>(politics,</sup> ~~subversion,~~ a man responsible for the inspiration of many Kissinger policies in this area; as well as for some of their implementation, <sup>recently</sup> summed up this problem to me, in private conversation, as follows. People tell us (he said) that if the Eurocommunists became members of a Government coalition, in Italy or elsewhere in

the West, and if they were happily accepted by America and the rest of the West as bona fide democrats, this would ~~help~~ <sup>(GREATLY)</sup> help the revisionist Communist forces of Eastern Europe, lending strength to their efforts to achieve greater independence from the Soviet Union. Even some of the people from Eastern Europe directly involved in this matter - he went on - tell us that we must therefore accept and support Eurocommunism, for their sake. Now, while it is false that we, the Usa, are ~~some~~ interested in keeping the "status quo" that we no longer want to support the more liberal and independent Communist forces in Eastern Europe, we still do not believe that the progress of Eurocommunism would help those who work for peaceful and gradual change in the East. Why? The fact is that <sup>(if)</sup> some ~~of~~ Nation in the West, like Italy, France or Spain, came to be ruled by "Eurocommunists", this would inevitably upset and weaken the Atlantic Alliance, and therefore upset and weaken that strategic balance of power, to which Signor Berlinguer himself attributes such a great importance, as the necessary pre-condition of detente. But with an unstable balance of power, without detente, and with a weaker West, you would certainly get a much more intolerant and domineering Soviet power: therefore, chances for greater independence of satellite nations in Eastern Europe would <sup>(NOT INCREASE BUT)</sup> greatly diminish.

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Others point out that, in any case, Soviet Russia would

see to it that ~~was~~ <sup>ANY</sup> "political mobility" remained limited to the West. The Kremlin leaders would also surely attempt to regain control upon the Communist parties of the West, should these succeed in gaining the upper hand in their countries. Furthermore, the access to power of a Communist party in the West could set in motion an unstoppable and disagreeable chain of events: the Nation involved would suffer from increasing isolation from its former Western allies, capital and Capitalists would flee, Western economic help ~~might~~ <sup>MIGHT</sup> be reduced or cut; ~~in~~ <sup>(UNDER)</sup> such circumstances, even if unwillingly at first, a ~~Communist~~ "Eurocommunist" government ~~might~~ <sup>(MIGHT)</sup> find itself in the absolute need to turn to Russia and the East for ~~their~~ support. Finally, one cannot foresee how Western Communists, once in power, would react to a possible crisis of detente: would they come out in favour of the West, or would their ~~deepest~~ deepest and oldest ~~instincts~~ instincts prevail, pushing them in the direction of Moscow interests?

All this, ~~to~~ be sure, is hypothetical talk. It should suffice, however, to show how complicated the interplay would be between East and West, should Messrs. Berlinguer and Marchais prove able to gain participation in Government power, in Rome or ~~Paris~~ Paris. One need only mention the further uncertainties ~~xx~~ certainly accompanying the political development of a post-Tito Yugoslavia in order to make the whole picture even more ~~xx~~ intricate, and any clear forecast ~~xxxxxx~~ surely impossible.

Historical experience so far has usually shown events in Eastern Europe playing a fundamental change in provoking change ~~was~~ inside Western European Communist parties, ever since the Twentieth Congress, rather than the opposite. Even in the future it is to be expected that the potential crises of Soviet Europe will powerfully influence, in ways that cannot be foretold, the development of Eurocommunism (for instance: would Soviet interference in post-Tito Yugoslavia slow down or accelerate the potentially schismatic progress of Italian Communism?).

What is new is the fact that, ~~perhaps~~ perhaps for the first time since Togliatti threw a stone in already troubled waters by proclaiming the slogan of "polycentrism", Western Communism has been playing, and is bound to play even more in the future, a IMPORTANT ~~clearly defined~~ political influence upon what remains (in Europe, but also ~~also~~ elsewhere) of the "Soviet camp": once monolithic and world wide, ~~today~~ today surely ~~neither~~ neither of the two.

Of course, the stronger and more satisfying the definition of the new ideologies and policies of "Eurocommunism" will be, the more they will represent a challenge to the Soviet Union, its dated ideology, its immobile policies. But again, it is the vitality of Western democracy, as developed by a great variety of political forces (liberal, catholic, democratic, radical, social-democratic), ~~as~~ as much as the many failures of Leninist Communism, that has compelled Western Communists to

go through an agonizing reappraisal of their traditional ideas. We must conclude that if Western Democrats really want to influence the Soviet world, challenging it in a direct and indirect way, they ought perhaps to pay less attention to ~~their~~ "Eurocommunism" and more to their own policies, so that they can better meet and satisfy the ever/<sup>expanding</sup>~~increasing~~ demands for <sup>(more)</sup> equality, liberty, (A) democratic participation, by contemporary society.

ARRIGO LEVI

C o n f e r e n c e

ITALY AND THE CHANGING EUROPEAN-AMERICAN RELATIONSHIP

Bologna

November 18-21, 1976.

ITALY AND THE TRANS-ATLANTIC RELATIONS

by Cesare Merlini

'West Europe Chiefs 'Tilt' to Ford", was the headline of the Washington Post two weeks before the presidential elections. While accepting that leaders do not always reflect their public opinions, such an affirmation can be seen as reasonably accurate. How can this be explained?

Probably in different ways. Euro-American relations were certainly not so bad that they could become no worse. Governments on both sides of the Atlantic had got to know each other. Europeans knew what to expect from a reelected President Ford, especially once he had swept aside the doubts about the reappointment of his Secretary of State. Carter, on the other hand, represented the unknown. This problem, which dogged him with the American electorate, will not be of secondary importance in his relations with foreign governments. Jimmy, his friends and advisers are little known to European governments. This incidentally constitutes a failure of sorts for the Trilateral Commission, especially its European side, on which so many of them were represented.

But it may be more than that. Most European governments consider the state of their relations with Washington satisfying

if not actually good. After an initial period in which Europe was neglected and excluded from the dialogue between the super-powers, after the unexpected unilateral measures of August 1971 and the rather rude treatment meted out during the Yom Kippur war and energy crisis, after the failure of the "year of Europe" the last two years have seemed relatively easy going from the point of view of Western capitals. The F.R.G. benefited from its "special relationships" that had brought about the Bonn-Washington axis within the Atlantic Alliance. Despite serious economic difficulties, the old Anglo-American special relationship managed to survive thanks to the depth of understanding that existed between Callaghan and his former colleague Kissinger. Paris moved slowly but continuously towards Washington on various issues within the complicated balancing act that is Giscard's foreign policy. From Rome, American disquiet was seen as a useful counterweight to internal pressures that were pushing the Communists slowly towards government.

In addition the economic recovery with its beneficial effects for Europe could be identified with the Ford administration. American unemployment, of which Carter made so much in his electoral campaign was an issue of little significance on this side of the Atlantic. Diffident pronouncements about the EEC, seen in the U.S. as a potential economic rival, were replaced by a more acceptable policy of "benign neglect" which managed to obscure potentially divisive policies. Despite tensions within NATO (lack of armament standardisation, differences of opinion on the uses of new technology, lack of cohesion on the Southern flank etc.) the organisation managed to survive above all as the sum of bilateral relations with Washington.

After the oft threatened withdrawal of American troops, U.S. pressure on her allies moderated while her commitment to European defence remained reasonably credible given the improbability of the threat. So, while it was by no means an ideal situation, it was acceptable. Continuity was preferable to change.

Noone wished to admit that the situation of limited responsibility in which Kissinger's policy had put all the West European governments had met their desires in a period when domestic preoccupations were dominant for all. This attitude was sustained by the growing indifference of public opinion. A recent opinion pole reveals that U.S. popularity in Europe had reached an all-time low and that confidence in NATO has dropped recently, even though Europe has no alternatives to the Alliance for her security.

For various reasons the situation cannot continue and changes are necessary. The new relationship between Europe and the U.S.A. (and a new relationship there will be) will be the result of the sum of the necessary changes and those changes that the new presidency will mean in itself. During his electoral campaign, Carter often repeated his desire to reestablish the position of Europe in American foreign policy (even though he was not very explicit about the European Community) and to reform NATO. If change worries the chancelleries of Europe, this kind of assertion is more likely to increase than reduce their preoccupations. Nevertheless there are European political forces, largely progressive, who look forward to the Carter experiment with a prudent interest. While they are open to a new line, they are anxious to know more.

The new U.S. administration has two choices. On the one hand, it could take more trouble to reassure European governments, emphasising continuity, particularly following



the Kissinger line of taking over European responsibilities in international political management, leaving the allies to deal with their own internal problems. This would mean that international developments would continue to contradict internal developments, and that in a crisis, as has happened before, the solidarity of the allies could not be taken for granted. On the other hand the new administration could cultivate the interest shown by progressive political forces and at the same time the European states could be given more say in their international actions. This would avoid the development of introverted national attitudes and encourage them to harmonise internal change with the evolution of the international situation. An evolution which the U.S. must be ready to guide, but not exclusively. It is a choice between hegemony and leadership.

Europe (and Japan) confronts this situation weak and disorganised : as Carter begins his 4 year term of office their governments are all characterised by weak, divided or shifting majorities. The pronounced economic divergences create problems for both the strong and the weak , lead to disequilibrium in trade flows and fuel speculative pressures. Introversion will be a strong temptation. This requires imagination, courage, sacrifice and foresight on both sides of the Atlantic.

The Alliance will be the first test. The need for a rethinking of European defence is clear. Without it the significance if not the existence of NATO is called into question. What sort of reform is necessary? Does it call for fine-tuning or profound revision? The indications coming from the Carter camp seem to suggest the reexamination of the use of tactical nuclear weapons to reduce the possibility of local nuclear conflict. This will be presumably achieved by raising the threshold and emphasising

conventional weapons, either through the introduction of new technologies (P.G.M.) or through rationalisation, that is a greater weapons standardization. This could reduce the Allies' feeling of security. The Europeans have various objections : is this likely to encourage Europe to develop her own defence capability or to provoke closer alignment with the Americans, as has recently been the case with France? If the threshold is raised, it is argued, deterrence is lessened and conflict in Europe more likely. The fact that it is only a conventional conflict is of little importance : it would be tremendously destructive. One can ask whether the situation would be the same in the Mediterranean or if the Central and Southern flanks would become progressively distinct. In addition one would wish to know whether a high technology conventional force would mean massive recourse to the American armaments industry or if Washington would be willing to compensate a greater European defence effort with their agreement to allow a European defence industry to develop, which would obviously mean, at first, a degree of protection.

Finally there are disarmament negotiations, in particular those for the reduction of forces in Europe : what affect will the new situation have on these? What is the possibility of restarting these multilateral negotiations that have a good deal of significance for the Europeans?

The point here is not so much the response to these doubts as in asking our American friends if they are ready to discuss these issues with their European partners, and if so, in what forum they should be resolved. A unilateral solution would be quicker, but not so effective.

On the other hand, suitably representative European institutions do not exist. It is thus necessary to turn once again to the "wise men", as has been done before within the Atlantic Alliance. This time there should be one "wise" European and one American. The choice of the "wise" European must be made in such a way as to favour a common position.

The other problem of the Alliance is adaptation to domestic developments. This concerns Italy particularly, has concerned Portugal in the past and may concern France in the future. Declarations about incompatibility have not served the Alliance, indeed they have emphasised its weaknesses, nor can they curb such developments. To be Atlanticist today is not a policy but a status. The status is accepted : according to the leader of the P.C.I. eurocommunism does not merely accept the Atlantic Alliance but needs it as a framework within which it can develop independently of the Soviet Union. New European security policies, worked out within the Atlantic context and backed up by renewed emphasis upon detente and disarmament, would impel both Communists and other left wing European forces to choose. In this way one returns to the problem of defining a new Atlantic policy, and by whom and how it should be defined.

The future of the Alliance is to be found in the solution to this problem, not in the construction of a concentric structure, based on the degree of trustworthiness of the various allies, which would be politically divisive for Europe.

The economic questions which stem from the Euro-American relationship do not fit into a single institutional framework. In recent years they have been dealt with in "ad hoc" summit meetings that even when they serve as more than a mere façade

(electoral motives and/or semblance of action) have been dominated by pressing and immediate questions and have not been able to play any role in the solution of structural problems. The usefulness of such meetings must be critically examined and the practice discouraged unless there is a critical situation to be faced and an institutional system exists capable of carrying out the ground work. In addition the Nine must, without complaints from the Americans, find a way to assure that there be no discrimination against any of them. Member states must participate as the 'Community'.

In the absence of an international monetary system the role of the dollar remains central, though not exclusive. The problem of the relationship between currencies involves above all inter-European relations. However, there can be no solution with purely monetary provisions, even if some progress could be made in the joint-holding of part of the reserves. More needs to be done for the economies.

Four types of problem appear to dominate, beginning with the most urgent:-

-The supply of energy may well be threatened again soon. None of the Community policies in this sector saw the light of day, and "project independence" has largely failed. Thus we are moving towards new increases in the price of oil, with the associated balance of payments problems, while there is still great uncertainty as to alternative sources of energy.

-Balanced development of trade, not merely on the basis of free trade, but taking the inequalities within the industrialised world into account. Different imperitives are required depending on the state of the various economies. The leading stronger economies

must undertake far reaching internal adjustments. All must make sacrifices.

-The international division of labour. The U.S.A. has a dominating position, in part for security reasons, in high technology areas (in certain sectors, such as computers, almost monopolistic). In addition she tends to protect low and medium technology sectors. In the face of this the Europeans have partly similar partly different positions depending on the strength of their economies: traditionally the choice has been between trying to win a slice of the high technology sector, whose survival depends ultimately upon protection, and concentrating upon the intermediate sector, to which countries of the third world already aspire.

-The control of multinational companies, with the aim of defining their area of activity, placing limits on their promotional excesses and channeling international investments, through incentives and disincentives.

These are the areas in which the new U.S.A. administration must swiftly give proof of itself ; these are the areas in which the Community must regain a role. In the first place it must be the Europeans who decide. The Americans, rather than merely making declarations, must reconstruct the mutual trust that avoids obstacles. Up until now the EEC has constituted a bulwark against protectionism, despite the fact that it is itself surrounded by a protective barrier. Even now its reinforcement could act as a counterweight to competitive protectionism and it will be worth paying the price of a few protective measures. One must nevertheless accept the prospect of a newly competitive future for the Europe of the Nine.

To bring about a policy more favourable to the Community means doing away with the precedent established under Kissinger whereby the Europeans had to consult the U.S.A. before establishing a common position. The success of this is particularly important for those countries who have traditionally had good relations with the USA. Autonomous decision making will favour not only economic but eventually political and military integration.

If the relaunching of relations with the Europeans that Carter seems to desire means merely cultivating relations with single European states, the result will be, apart from a honeymoon with some country or other, a reinforcement of the dominant role of Western Germany. If this role is not matched by integration, old misunderstandings will arise again along with national protectionist policies, national expansionism and a change in the balance of power. It will be a destabilising solution in the long term.

The right of Europeans to extend their integration to defence must be reaffirmed to the Communist states who deny it, despite the fact that they have recognised the "reality of the Common Market". It is not that one should return to European opposition to the Soviet Union after years of East-West dialogue. The gains of detente must be reinforced not forgotten. One must merely remember that detente in Europe was more successful when the Community was stronger.

Finally the Community constitutes a very useful test for checking on internal developments in Italy. The P.C.I. needs integration because, having chosen Western Europe as its area of action, as well as having decided to support supranationality the success of the Community will represent the consolidation of

its leadership of Eurocommunism within which some hostility to the process of unification continues, such as that on the part of the French (which in the same way as NATO permits an existence independent of Moscow). On the other hand, the Europe of the Nine, more than any other international institution, identifies itself with the democratic system. The Community's continued progress through, for example, direct elections to the European Parliament, will serve to reinforce this characteristic. Thus the attitude of the P.C.I. towards the developments within the Community (the fight against inflation, enlargement to the South, acquisition of its own resources, improvement of Community policies : these are the principal programmes on the agenda) and in the European election campaign that, save for opposition or delays, will begin next year, will be enormously revealing given the conversion in progress amongst Western European Communist parties, which represents a victory for the democratic system.

Naturally, the shift to the left in some European countries, and the tendencies towards conservatism in others, creates tensions among the Nine. If, as they say they do, the Americans want the Community to survive, it must be prevailed upon not to excommunicate errant members, at the behest of Washington, but to reinforce its institutions and their democratic characteristics in order to absorb such tensions. A European election will be a good occasion to test this.

(6)

J. Robert Schaetzel  
28 October 1976

## GENERAL TRENDS IN US-EUROPEAN RELATIONS

### I

Under any circumstances predicting the precise movements of American foreign policy is a dangerous pastime. To do so immediately before a presidential election, as this is written, and with a diplomatic establishment dominated by a singular personality creates a situation not unlike that of 1952 when Eisenhower and Dulles took over from Truman and Acheson. Analysis is not helped by florid campaign rhetoric, a Secretary of State rushing to write the last pages of the history of his regime, a drama played out before an American public only marginally interested in foreign affairs.

The Nixon-Kissinger era of American diplomacy has imprinted unique elements on American policies which in turn have had remarkable continuity. The Kissinger contribution has been unique. No successor will attempt to emulate him. The question remains how much of Kissinger's methodology has seeped into the American system--the emphasis on superpower relations, on personal, secretive diplomacy and problem solving, on tolerance of Soviet and Chinese communism against strong reaction to communist inroads in South Asia, the Middle East, Africa and Latin America--and in Western Europe, on indifference to the economic and social aspects



of international relations, of uninterest in the plight of the poor nations, on antipathy to international institutions and procedures. Over the last year there has been belated interest shown by Kissinger in these latter issues. This should help his successor.

Prediction of American policy is not made easier by the changing scene in Europe. There is no early end in prospect to the economic crises of Britain, Italy and France. Political instability is endemic. Inflation, recession and unemployment have replaced almost a generation of remarkable economic growth and the dramatic improvement of individual standards of living.

In writing this paper I have made no attempt to achieve excessive and synthetic objectivity. These predictions are colored by personal preference as was suggested when I was invited to prepare these notes. But I have tried to keep in mind what would seem to serve both American and European interests, and at the same time, would be plausible in the light of American attitudes and the forces at work within the country.

## II

The most striking development in American thinking about international affairs is the sharp increase in popular concern about national security and support for a decisively strong American defense. There are many factors which have led to

this state of mind. The nature, the benefits and the likely evolution of American-Soviet relations (détente) had been oversold to the public. The Soviet's expanding defense establishment, exploitative behavior in southern Africa and the Middle East, the absence of expected results from Helsinki--all these developments and others have led to disillusionment. In part the reaction to the debacle of Vietnam, in part the conclusion that we are condemned to live in a hostile world, have encouraged Americans to become more nationalistic and more determined to be second to none.

With respect to American-European security relations it makes little difference who wins the next election. There is every indication that the United States will continue its strong support for NATO and continue its tangible commitment of troops to the defense of Europe. Apprehension about the Soviet Union has understandably enhanced in the eyes of Americans the importance of its European and Japanese allies. Questions about nuclear weapons and strategy, the asymmetry of the general purpose forces and equipment of the Warsaw Pact and NATO suggest that the Western allies must undertake an urgent review of NATO strategy.

Some movement by America away from excessive addiction to personal, bilateral relations with only the major European powers seems likely. This will come about partially as a normal reaction to the Kissinger technique, partially as a realization that a

Balkanized Western Europe is in no one's interest. Obviously a major ingredient of trans-Atlantic relations will continue to be the bilateral connections, but presumably alongside greater attention to functional international institutions and to the European Community.

There are two conflicting trends in American thinking. One, which has been expressed by Carter, is systematic consultation, greater sensitivity to European interests; the second, is a national mood which fancies toughness, assertion and the aggressive protection of national interests. For the moment, while American opinion is volatile, the latter attitude appears dominant. Moynihan became a national folk hero with his fundamentalist moralism, insistence on presenting American views no matter how unpopular or ineffective this expression might be with the United Nations' audience. It will be difficult for any administration to deal with the popular clamor for a hard line in America's relations with the Soviets.

These various factors which produce the "get tough" mood have unpleasant implications for detente and negotiations for the control of both conventional and strategic weapons. If nationalism and assertiveness should come to dominate American diplomacy the side effects on many issues, for instance, the Multilateral Trade Negotiations, could be unpleasant. And there are other areas where America's nationalistic unilateralism

could create difficulties for American-European relations: with respect to relations with OPEC, to the demands of the LDCs, to disagreement with Germany and France over the export of nuclear technology and materials.

A sensible reconciliation of these conflicting forces at work within America is essential. With respect to most issues European and American interests are not irreconcilable. In some cases (with respect to oil and raw materials) the objective situations of the two continents are different and can lead to different strategies. Agricultural trade is an inherently difficult problem because of differing land and climatic factors and market philosophy. While it is by no means certain, one can reasonably hope that the next administration will appreciate the dangerous consequences that would flow from an American-European confrontation, seek to expand those areas of urgent common interest on a basis of equality and mutual respect, and work to insure that where substantially different American and European interests exist these are not allowed to contaminate general relations.

The disastrous decline in America's popular support for the United Nations could have serious implications. Disenchantment with the UN coincides with eight years of Washington indifference of all international organizations and the contrasting obsession with classical, bilateral diplomacy. Americans have

thus become accustomed to a regime of pragmatic, non-institutionalized international relations. The unspoken premise has been that institutions and rules hamper unilateral action and national independence.

A major effort will be required to reorient American diplomacy back to an institutional framework. With the increasing emphasis on the economic component as the central ingredient in international relations the United States should reconsider the role of the OECD and see whether this institution cannot be put to more imaginative use. This would mean less resort to unproductive ad hoc arrangements, such as the conference at Puerto Rico. However, it would be unrealistic to expect that there will not be future Puerto Ricos. The challenge will be to insure that they do not damage essential bilateral relations, and especially international institutions.

### III

This leads to American policy with regard to the European Community. Despite the rhetoric, Nixon-Kissinger-Ford policy has alternated between polite indifference and thinly veiled hostility. A more positive approach is likely. This will come about with an appreciation of the futility of dealing with Europe primarily as nation states and with the realization that only Europe acting collectively will add the weight and

influence necessary for the solution of common problems. This inclination should be strengthened by the nomination of Roy Jenkins as President of the Commission and the prospect of a directly elected European Parliament. But this inclination toward a more forthcoming American policy will be conditioned by Europe's policies and actions. Recent excesses of bilateralism, while led by the United States, have hardly had to overcome European resistance. With few exceptions European political leaders have fallen over one another in their eagerness to play the bilateral game. The habit will not be broken easily. But if a relationship of greater equality across the Atlantic is to develop European governments must lend more than verbal support to the Community.

With respect to nuclear proliferation, especially the spread of plutonium and reprocessing technology, the attention given the problem by Ford and Carter offers proof of the dramatic rise of public concern. Inevitably this issue will receive even more urgent attention in 1977. How America and Europe deal with nuclear proliferation will be a test of our capacity to develop a closer and more effective Atlantic relationship. The provisions of the Euratom treaty, on the face of it, commend the Community as the European partner with which the US should work in this large endeavor. Up to now the discussions among the "nuclear suppliers" have ignored the Community. A new

American administration would welcome a single "European" interlocutor in this critical field. But if there is to be a significant Euratom role, the first step will be to overcome French preference for bilateral arrangements and resistance to Community preeminence.

In substantive areas outside the Treaty of Rome, primarily political affairs, here again the United States will be more prepared to deal with a collective Europe. The Helsinki conference was a precursor of this just as the members of the Community have been working closely together and employing a single spokesman with respect to much United Nations' business. Arriving at common European positions and designating a spokesman is a laborious process. It will be neither easy for Europe to strengthen and expand this process nor for the United States to forego the quick and habitual direct contact with two or three of the major capitals. Yet if Americans and Europeans appreciate the added weight and seriousness this approach offers the Community the additional procedural difficulties should seem a reasonable price to pay.

#### IV

In the light of the foregoing it may seem paradoxical to assert that America's foreign policy in the postwar period has been remarkable for its continuity. Even détente, if extreme claims and fears are discarded, is not a particularly novel concept.

Well before Nixon, both Democratic and Republican administrations had sought to enlarge the areas of peaceful mutual interest and to reduce tensions. While larger shifts have slowly taken place--Sino-Soviet nuclear balance, the rich-poor relationship--the dramatic change has been in advertising and in determining American-Soviet relations as the predominant element in American foreign policy. Just as Nixon and Ford absentmindedly accepted the broad lines of inherited policies with respect to Western Europe, so will the next administration. Continuity can be a crucial asset in assuring popular and legislative support for foreign policy.

A new element which does not fit into known patterns is Eurocommunism, particularly the prospect that the communist party in one or several European countries may come to share political power. Europeans should appreciate that American apprehensions about this development are something more than the reflex reaction of capitalists to communism. Also, this unease about Eurocommunism has to be seen in the light of renewed concern throughout America regarding Soviet military capabilities and intentions and its behavior elsewhere in the world.

Responsible Americans raise serious, basic questions. Where does the ideological allegiance of the Western European communist parties lie, with the European democracies or with the USSR? The expressed commitment of the CPI, for instance, to constructive



economic and social policies is important, but does the declared commitment to democratic procedures include the internal processes of the party itself? In short is this declaration of principle anything more than a political maneuver? What is the real position of the communist parties with regard to European security, to those objective conditions between East and West which led to the establishment of the North Atlantic Alliance?

American minds are not closed on this issue. But it is well to reemphasize that Eurocommunism does not fit into the established patterns which are familiar to Americans. Reasonable Americans will apply certain tests, including the attitudes and policies endorsed by the communist parties with respect to the European Community and NATO. They will also be sensitive to positions the communist parties take regarding USSR adventurism in Africa and the Middle East. Ambiguous answers can generate ambiguity within Europe and force Americans to review in a fundamental fashion the rationale for its commitment to Europe.

V

With respect to European-American economic relations the trends are unclear, even contradictory. There are favorable factors. Americans in general have been reasonably satisfied with the way the international economic system adjusted to the series of major shocks--breakup of the Bretton Woods system, the energy and financial crises, and the present unholy alliance of recession, inflation

and unemployment. "Satisfaction" hardly describes tolerance of these disturbing phenomena. But satisfaction derives partly from what did not happen. Beggar-thy-neighbor policies have been avoided. In spite of the cost in terms of real income the world absorbed the quadrupling of oil prices. Although outside the formal institutional framework, there have been continuing financial consultation and collaboration among the advanced industrialized countries.

America seems finally to have developed a degree of economic literacy. The 1975-1976 recession produced the ritual demands for protectionist responses, but neither Congress nor the Executive reacted in the normal Pavlovian fashion. Despite the fact that over the years legislation has opened wider the road for the protectionists, the decisions of the administering agencies have generally reflected a bias in favor of freer trade. Despite adverse economic conditions and a difficult election campaign the administration has continued to prepare for the Multilateral Trade Negotiations.

Before speculating further about future trends it would be well to examine the unfavorable factors. Relations between Europe and the United States are influenced increasingly and primarily by the management, or mismanagement, of domestic economic affairs. Put simply, nations are more and more affected by the economic policies and behavior of their neighbors (witness

the problems the decline of the pound created for the lira and the French franc). Yet, because economic policies are the essence of national life, pervasive internal forces insist that these are purely domestic matters which must be solved without external interference. The Labor Party's National Executive provided a bitterly ironic example of this when it insisted that the UK should close its doors and windows to the world and, behind a barricade of import restrictions, search along for that economic Arcadia. In short nations continue their attempts to square the circle: acknowledge increased international interdependence, but encourage nationalism and practice nationalistic responses.

America is not immune to less than creditable moralizing that many of Europe's economic problems stem from a lack of self-discipline, that that critical disease inflation is a function of nations' living beyond their means. Germany and America enjoy expressing this smug judgment. Carried to extremes, as has been done by Milton Friedman's admirers, it can result in Puritanical admonitions that all would be well if the sick nations would only reduce governmental expenditures. There is obvious substance to the criticism; but moralistic extremism is both unrealistic politically for the seriously sick and furthermore can encourage the strong nations to slip into the role of curious bystanders at the scene of an accident. The Ford administration, with its laissez-faire predilection has leaned in this direction.

A Carter administration is more apt to recognize that interdependence makes a more active American role inescapable.

Within this latter framework, a central joint US-European objective is the recovery of those economies hit hardest by inflation, recession and unemployment, especially Britain, Italy and France. To repeat, national responsibility is clear and non-transferable. But external assistance, in the most general sense of the word, is essential and appropriate. There is political and economic logic in foreseeing a major role for the European Community, with other non-Community countries following the lead of the Community and supporting its efforts.

In this chaotic period it will be vital to manage those real divergencies of American and European interests imaginatively and with a sense of perspective. Differences in degrees of dependence on foreign raw materials, for example, lead to differing foreign economic and political policies. This imposes an obligation to insure that varying tactics be handled so as to minimize adverse effects on the larger mutual interests of the two sides of the Atlantic. A special burden will fall on the United States to keep in mind the larger picture and control the zeal of domestic groups which would happily pursue a small issue to death no matter how harmful the effects on overall American goals. Again, an administration less idolatrous of Adam Smith and adversary economic relations is more apt to recognize the need for compromise and accommodation.

In 1977 Europe and the United States will have to decide how and at what speed they wish to continue the Multilateral Trade Negotiations. The international economic environment could hardly be less conducive to negotiations. Yet the pressure must be kept on, looking to conclusion of negotiations in 1978 or 1979.

Indeed, in the future it should be marginally easier to deal with the ideological differences (free market vs. dirigisme) which underlie American-European economic relations, with each side diluting dogmatic extremism. Evidence that this hope may not be entirely romantic is the advice given by the CPI to the Italian government urging restraint in nationalizing industries and noting the virtues of greater competition.

America and Europe must face the overriding world problem of the poor nations becoming poorer and of the decline of interest and support in their plight by both Americans and Europeans. This is a prime example of the axiom that Europe and America will advance together, or retreat together. Europe has shown more imagination and initiative recently in facing this problem than has the US. The Lomé convention is an example of European leadership. Western Europe has shown greater flexibility and imagination regarding multilateralizing foreign aid than has the United States. The relative cohesion of Europe and the role of the Community with

with respect to the poor nations suggest that this is a case where a further European lead would be practical and useful in galvanizing America. This could be psychologically beneficial to both Americans and Europeans. The United States under a Democratic administration will be more receptive to such an initiative and more inclined to enlarge programs designed to aid the developing nations.

No speculation about trends in American policy can be complete without a reference to the attitude and role of the Congress. The legislature is determined to resume its position as the separate but equal branch of government. It will not and cannot be denied an important voice in American foreign relations. Furthermore, as the center of gravity moves towards economic policies and issues the Congress is inevitably, even more involved. Europeans must also appreciate the change in the makeup of the Congress. It is filled now with legislators who see international relations in moral terms, whose instincts are nationalistic and who are too young to have experienced the drama and then the success of that unique postwar relationship between America and Europe.

The challenge to the Executive Branch will be to see that the legislature is informed and to nourish the latent desire of Congress to assist, and not to frustrate. There is an important opportunity open to Europe. With the direct election of the European Parliament in prospect and a more active American

Congress, 1977 is the time to develop a formal inter-parliamentary relationship, building on the useful work that has been done between the present European Parliament and the Congressional group led by Fraser and Rosenthal.

VI

America is slowly returning to an appreciation of the importance of Western Europe <sup>TO</sup> ~~OF~~ its largest interests and of the significance of European influence in dealing with the towering world problems. America should be less inclined to alternate between ignoring Europe and seeking to dominate it. In 1977, Washington is likely to press on Europe a larger role, to accept the reality of diversity and to work toward a more balanced Atlantic relationship.

An American strategy along these lines depends much on Europe itself. Overshadowing all problems is the current economic crisis. Staunching British and Italian hemorrhages is only the first step. Further momentum in internal European affairs and a more responsible role for Europe on the world scene are possible only from a secure and expanding economic base, and one without today's wide disparities in national performance.

Concomitant with this is the indispensability that Europe take European union seriously. In a statement in Brussels on September 24 Prime Minister Tindemans said, "During my visits to

European capitals, I was forced to observe that there is a wide break separating public opinion and the political leaders who speak so eloquently of building Europe, but do so little to bring about this aim. Once again, during this period of crisis, it has been demonstrated just how powerless the national states are in waging a concerted battle against inflation and unemployment. Let us harbor no illusions. The prospects of setting up European Union do not seem to me to be very promising at the moment." This from the most dedicated "European" leader.

The central point is that America's budding instinct for common purpose and endeavor, its renewed feeling for the importance of Atlantic relations, its willingness to find ways of assisting beleaguered European nations, must have something real and cohesive with which to relate.

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C o n f e r e n c e

ITALY AND THE CHANGING EUROPEAN-AMERICAN RELATIONSHIP

Bologna

November 18-21, 1976.

(7)

ITALY'S ROLE IN THE EUROPEAN COMMUNITY

by Altiero Spinelli

This analysis will be divided into two symmetrical sections:

- A. Italy's role in the European Community.
- B. The European Community's role in Italy.

In a brief appendix we will examine certain problems regarding the Atlantic Alliance.

A. Italy's role in the European Community

There is probably no country in Europe where there is a greater and a more spontaneous consensus around the idea of European Unity than in Italy. Among the various Federalist movements which grew up during the resistance it was the Italian movement which proved most capable of influencing public opinion; the movement's influence was in fact felt in nearly all sectors of public life.

In the early days of the building of Europe the left (represented in Italy by the PSI - the Socialist party - and the PCI - the Communist party) took up an anti-European stance. This was determined by the central position in Socialist and Communist foreign policy held by the Soviet Union. Towards the end of the 1950s the Socialists, followed ten years later by the Communists, abandoned the Soviet Union's European policy. Rapidly and coherently they became aware of their interest and the country's in-

terest in the growth of unity between the democratic states of Europe. Trade-Unions and Employers associations are similarly lined up in favour of European Unity.

The only sector of the Italian political spectrum where hostility to Europeanism is still expressed are small groups on the far left of the Socialist party who continue to dream of Socialism in one country. The only hostile economic interest groups lie within state industry, whose role is too much that of a parasite to face up to the European market. Even in these two cases opposition to Europeanism is exproclaimed with some caution, for it seems to go against the main current of feeling amongst the Italian people.

The Lack of support for purely economic integration

The preference for all-round political integration

Italy's advanced industrial sector has succeeded in overcoming the handicap represented by fascism's policy of autarky and by the damage done by a war fought on Italian soil. When Italy joined the ECSC she had neither iron nor coal. She has developed, since she joined the Common Market a steel industry such as she could never have had during the previous seventy years of protectionism. Having joined the market she has chaotically, indeed bloodily, transformed herself from an agricultural into a predominantly industrial country.

Despite all this the country, the government, the political parties and other interest groups have remained somewhat cool towards the way in which integration has proceeded. One by one sectors have been identified in which a common policy is required. Never however has there been an overall vision of solidarity between the peoples of Europe or even of their common interests.

Italy is only partially an advanced industrial state. The South has the characteristics of a developing Mediterranean country (weak modern social, economic and political structures, the disintegration of the archaic structures of a pre-industrial society, a high level of emigration amongst the most dynamic sectors of the population). Italy is engaged in an arduous attempt to overcome this gap between North and South. It is realised that if this attempt fails it will be hard for her to obtain, as is her ambition, the status of a civilised, modern, democratic country.

For this reason Italy's main interest in European unification is the formulation of policies and policy tools capable of strengthening inter-European solidarity, in such a way as to build a Europe within which one country's problems and ills are felt as the problems and ills of all. Given that this kind of consciousness can only come about through the involvement of the population in politics through democratic institutions, particular interest has been shown in the prospects for political unification. Side by side with this political union of Europe Italy has always argued in favour of a strong regional policy involving the whole Community in the development of backward regions.

Amongst the six Italy was virtually isolated in this demand. Today Britain with its own regional problems, which despite being very different from those of Italy are extremely serious in nature, and Ireland, which is, as a whole, a developing area, have joined the Community. It is no longer possible to ignore the need for a genuine policy of supranational solidarity. This need will become even more obvious as we move closer towards Greek, Portuguese and Spanish membership of the Community, as will the need for a coherent Community Mediterranean policy. The Italian political

parties and groups and indeed Italy as a whole can play a far from insignificant role in the transformation of the Community from a Community of merchants (to use Chancellor Brandt's words) into a Community capable of formulating a policy for society (which means more than just a social policy). If Europe is to play this role pro-European feeling is not enough :- it will be necessary to define Italian problems and needs within the framework of general European problems and needs. If Italy, however, is to win the right to be heard, the country must be governed in such a way that that which can and must be done, to keep her within the Community, is done. This could be of no little benefit to the other member states for whom the Italian market is of far from negligible importance.

The emergence of Communist forces on the European political scene as a factor favouring both democracy and Europe.

Since the beginning of the cold war Italy has been governed by the Christian Democrat Party, around which have clustered a number of smaller parties.

The original exclusion of the Communist and Socialist parties from government was due, on the one hand to the conservative parties' decision to keep the workers' movement out of politics, on the other to the latter's persistence in a policy of internal revolutionary transformation and international pro-Sovietism, rejected by the majority of the country.

The result was that for thirty years Italy was governed by a political grouping which, although it had popular support, was essentially conservative in nature. The public administration was

allowed to deteriorate and become corrupt. There was no serious policy of structural reform to accompany the industrialisation of the country.

The Socialist party's attempt, during the 1960s, to change the nature of the government by joining it, failed on account of the party's lack of sufficient electoral power and strength of purpose. The degenerative aspects of the situation became more acute. The largely parasitic state bourgeoisie won a dominant position for itself. Corporative privilege and subsidies were accorded to any industrial, farming, industrial or office workers' group which was sufficiently powerful to demand them. All this led to a progressive weakening in the dynamism of the Italian economy which had characterised the previous decade. When the world monetary crisis and the oil crisis arrived the Italian economy, beset by old problems (the Southern question) and new ones (the resurgence of corporative privilege) showed itself, together with the British economy, to be among the weakest in Europe.

If there is no recovery, in the fairly immediate future, Italy will soon find it impossible to observe existing Community regulations, still less to help to develop better ones for the future.

A recovery is only possible however, if on the one hand the government adopts a policy of austerity and of abolishing corporative privilege whilst on the other investment and consumption are redirected in such a way as to favour a more balanced, a better organised and a juster society. This complex policy requires that all the major social and political groups with which the Italian people identify should be granted their share of responsibility. Only this kind of joint responsibility in the difficult period ahead is capable, in the eyes of Italian citizens, of guaranteeing that this policy of austerity will be applied justly and that its aim will be the improving of society rather than simply the

restoration of the status quo.

This raises the problem of the involvement in government of the Communist party (with 34% of the vote) and the Socialist party (with 13% of the vote). In other words it is necessary on the one hand to bring to an end the unopposed hegemony of the Christian Democrats, on the other to attempt a political experiment which has never been tried before in Europe, namely the taking on by a Communist party of a major responsibility in the rebuilding and renewal of a democratic society, carried through with full respect for the rules of democracy, the aim being the introduction of elements of Socialism into a society which has every intention of continuing to found itself upon democratic institutions and a market economy.

This is not the place in which to describe the way in which the problem is being faced in Italy and the difficulties it is creating. Here I simply wish to emphasize that the very future of Italian democracy depends on the success of this operation. If the workers' movement continues to be excluded from government responsibility there will be insufficient consensus to guarantee the survival of democracy. If as the Communists' opponents claim, the PCI aims to enter the citadel of power so as to change its nature from within, then in this case too democracy would be doomed. The Communist party has however been for a long time preparing, after a deep reanalysis of the history of the party and of its programme, to become a democratic, reformist government party. The moment of truth is now near.

The importance of the process in European terms is clear. European Democracy has, to date, been founded upon the Social-democratic the Christian Democratic and the sometimes more,

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sometimes less conservative liberal schools of political thought. Whereas this represents a reasonably complete picture of the Northern European political spectrum it gives only a partial and distorted view of the Mediterranean countries of Europe (the Iberian peninsula, France, Italy, etc.). A Communist role in Italian government will thus oblige the Community to realise that similar developments are going to occur in other Community member-states and in countries now presenting their candidature for membership. Western Europe is no longer going to be represented solely by the great socialdemocrat, catholic and liberal parties, but by the major Communist parties as well.

The Italian Communists thus have the responsibility to fight with greater coherency and with greater energy than in the past for these European aims, which, as we have seen are widely felt in Italy:- a political rather than a purely economic Europe with genuine democratic participation in decision-making, the aim being to build a just European society.

Given that the French Communist party has yet to realise the need to such a policy, this has so far remained, in France, the responsibility of the French Socialist party. In Italy the Communist party has demonstrated that it is conscious of its responsibility towards the country and towards Europe. Will Europe in turn adopt an understanding attitude towards the political problems posed by the Italian Communists, a problem which they will continue to pose even more acutely in the coming months and years?

#### B. The role of the Community in Italy

Italy is an important cultural, political, demographic and economic sector both of the present and of the possible future enlarged Community. It is enough to look at the figures for

inter-Community trade to realise the importance of the Italian market for Italy's partners. It is enough to look at a map of the Mediterranean to realise Italy's political significance. It is enough to consider the balance of nationalities within the future European people to note the importance of the Italians. There is the whole of history to show Italy's cultural importance.

If however for these reasons the Community has a real interest in Italy remaining a member, at the same time continued Italian membership represents a special challenge for the Community. This I will only mention briefly here, given that this challenge consists of the European response to these problems, the Italian response to which I have already discussed.

The Community must take responsibility for a policy which goes beyond a simple customs union or the limiting of fluctuations in exchange rates. It must be provided with a financial capability and an organisational structure adequate to enable it to coordinate, and promote policies of structural reform within individual countries, in such a way as to keep these on convergent lines and to accentuate the degree of reciprocal integration.

Today this is a general Community need. In particular however it is a need for those countries at present suffering from a structural as well as a cyclical economic crisis, which, without such a policy, will not be able to keep up with other Community members.

This is true not only for Italy but also for Great Britain, for Ireland and, in the future, for the new Mediterranean members of the Community. The enlargement of the Community to include the Mediterranean countries, and, more generally, the Community Mediterranean policy, which correctly aims to make this great



development zone into a free trade area, with links to Europe regulated by economic cooperation plans, renders a large-scale reform of the Common Agricultural Policy a necessity. The aim would be the development of a healthy Mediterranean agricultural sector side by side with local industry in those areas where the agricultural population must necessarily be reduced. This new industry would employ the surplus population thus stemming the flow of workers towards the North which has hitherto prevailed. The way in which the Community deals with this problem in Southern Italy will be a test of the way it will be faced in the candidate countries and throughout the Mediterranean.

In political terms the Community must be capable of facing Italian Communist participation in Community affairs without falling into the hysteria which some conservatives would like. All must realise that the Communists are seeking to help the development of the Community.

Once again this is not merely an Italian problem ; it is simply the Italian side of a more general European problem. It is enough to remember that the near-certainty of a government coalition in Paris between the Communists and Socialists will pose far more difficult problems, which, if they are to be resolved, will demand a high degree of European political intelligence, both amongst the French socialists and amongst the Community member-states. A successful policy towards the Italian Communists will make the problem of the French Communist Party much easier.

APPENDIX

In order not to complicate the analysis, I have not dealt with the problem of Italian responsibilities towards NATO. We should however remind ourselves that :

- 1) There is a need, as we say in Italy, to "refound" the Atlantic Alliance, an Alliance which is even less adapted to present day American, West European, East European and South realities. The Alliance must be maintained. At the same time however, the Europeans must assume a greater degree of responsibility and independence.
- 2) This "refoundation" of the Alliance depends on the Europeans ability to realise an effective political union. If this ability does not improve, the Atlantic Alliance will remain a facade behind which is hidden a complex network of bilateral relations of dependency between individual European states and America. This will simply be in the nature of things.
- 3) Given that the Communist acceptance of the Atlantic Alliance and of NATO is too tightly linked to the way in which the PCI conceives its role in Italy to be considered a tactical manoeuvre, Communist participation in government should not pose particular problems for the Atlantic Alliance, at least from an Italian point of view.

Problems and crises could however arise if Kissinger-style attitudes and policies prevail in the USA or in other members of the Alliance. Such attitudes might well become self-fulfilling prophecies.

*Peter R's comment*

J. Robert Schaetzel  
30 September 1976

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## The American Image of Europe

Assessment of American attitudes toward Western Europe must begin with reference to the general mood of the country regarding both domestic and international issues. Given the uncertainty and ambiguity of public opinion an appreciation of these general views may be of even greater value than attempts to isolate more specific American attitudes with respect to Europe. A further caveat: it would be vainglorious to dare, in these days of confusion and contradiction, to offer confidently "The American Image of Europe," a presumed summary of the vagrant moods of 200 million odd--in several senses of the word--citizens. Hence, despite use of public opinion polls and studies, discussion with foreign and American experts, this must be one man's personal analysis and conclusion.

### I

In this murky area one thing is clear: there has been a sharp decline in American interest in international affairs. The most comprehensive study of this subject has been done by Potomac Associates.<sup>1/</sup> Their current analyses noted that there had been "an enormous change in priorities...Twelve years ago the top five

1/

I am indebted to Potomac Associates for the coincidental release in September 1976, of three excellent studies, America's Hopes and Fears--1976, by William Watts and Lloyd A. Free; The United States in the World: New Directions for the Post-Vietnam Era? by Robert W. Tucker, William Watts and Lloyd A. Free; The Pursuit of National Security: Defense and the Military Balance, by Walter Slocombe, Lloyd Free, Donald Lesh and William Watts.

items all related to international and defense matters; now the ten leading items all have to do with domestic problems. Only in eleventh place do 'Keeping our military and defense forces strong' and 'The growing dependence of this country on foreign nations for supplies of oil and other natural resources' emerge, the latter tied at that ranking with 'The problems of our elderly senior citizens.' Ranked 22 is 'Maintaining close relations with our allies'; "Communist leaders becoming members of the cabinet and sharing executive power in such countries as France and Italy" ranks 25th. While Potomac Associates found a slight increase in public interest in foreign issues in 1976 over 1974, the long-term trend of declining attention and priority is depressingly clear. *\* fewer. pick up; the young people*

The fact of a shift in priorities is evident; why this has come about is not. In the post-World War II period America's taste for simple, tidy solutions, quickly arrived at, was fed by a series of policies designed to cope with world problems as perceived in the heady atmosphere of victory. America's taste for institutional action and reaction was nourished by the United Nations and Bretton Woods systems, and the stillborn ITO; technical assistance was accepted as the magic cure to the needs of the poor nations; when Stalin shattered illusions that wartime collaboration would continue, NATO and regional security pacts were the response. All of these policies were conceived within the atmosphere of traditional American optimism.

That these institutions and programs did not bring us to the promised land is less important to this analysis than the impact of unsuccess on American attitudes toward international relations. Failure and dashed hopes coincided with other negative factors. To a degree America's buoyant expectations relied on international cooperation. These hopes faded in the face of cold Russian hostility, and bitterness was to be added later as de Gaulle both obstructed common programs and attacked American motives.

As the Cold War intensified, Stalin's unpaid allies in the United States--Senator McCarthy and the China Lobby--elaborated the theme of a two-dimensional world. They played on Americans' unsophistication and persuaded many that an insecure world, Communist success in Eastern Europe and Mao's conquest of the mainland were essentially functions of official American incompetence or duplicity--probably both.

The gross self-mutilation of the McCarthy era subsided--in such dramatic form that one of its high priests would become President and initiate the openings of 1972 to Moscow and China--but confusion and disenchantment remained. Furthermore, during this tumultuous quarter of a century too many domestic economic and social issues had been ignored--civil rights, campus unrest, damage to the environment, urban decay, law and order.

Then there was that Typhoid Mary, Vietnam, which spread a host of evil side effects across the land--youth set against established institutions; the national ignominy of failure; a sense of American guilt, with an undercurrent of anger at allies who denied support but were handy with criticism. A latent antipathy to foreign entanglements was encouraged. Subsequent disclosures about the excesses of CIA and Lockheed intensified a cynicism which had become a new part of the national ego.

A more subtle point is the degree to which Nixon and Kissinger contributed to this process of American disengagement. For an America that had just lost its innocence, Nixon and Kissinger offered the escape of foreign theater and allowed the citizenry to slide into the role of passive spectators. Aside from Vietnam where the problem was how to escape, little was demanded of Americans other than to watch diplomatic activity which was primarily tactical. This mood of detachment allowed Americans, who were pessimistic and less interested in foreign affairs in any event, to accept the Nixon-Kissinger obsession with US-USSR relations.

II

This is the general background against which more specific American attitudes must be seen. If Americans assign a relatively

*China? Vietnam? Drama? Strategy from USSR, withdrawal from Vietnam*

low priority to international matters it is probably that the views they express are somewhat soft, and presumably subject to modification.

In addition to the factors cited above, the media--press and television--contribute to or reflect (probably both) the great shift in American priorities. The evidence is discouraging: newspapers eliminating their staffs of foreign correspondents; minimal coverage of international news in other than major metropolitan papers; television treatment reduced to one and a quarter minutes on the 22-minute nightly network news shows.

The currents of opinion detected by the Potomac Associates studies suggest that today the American attitude toward international affairs has these major components: the nation is clearly more security conscious, more concerned about the possibility of another war, determined to maintain strong military forces, increasingly suspicious of the Soviet Union, more nationalistic and inclined to act unilaterally. Within this pessimistic view of the world Americans sense a greater need for allies. Furthermore, there has been a dramatic surge in the willingness to "come to the defense of its major European allies with military force if any of them are attacked by the Soviet Union." In 1974 only 48% agreed with this proposition; in 1976 56% agreed.<sup>2/</sup>

<sup>2/</sup> Tucker, -Watts, Free, op. cit., p. 29

*contradiction?*

*copy  
1/10/74*

Americans continue to look on Western Europe as vital to their security; as a region which shares its democratic values. Thus beneath all the changes noted above, continuity with the past exists--containment of Soviet ambitions, a sense of Europe's indispensability to a secure, prospering world. But within the context of lowered expectations and domestic preoccupations, Americans are less sanguine about the role Europe will in fact play.

The superficially paradoxical combination of continuity in basic perceptions of America's interests abroad and reordered priorities suggests the possibility of spasmodic, emotional, public reactions to specific European developments. One example was the highly adverse repercussion from Ford's rebuff of Solzhenitsyn. Americans accepted his bald definition of the differences between the communist and democratic systems and fell into gloomy agreement with his predictions about the decline of the West. Oversold by Nixon and Kissinger on the virtues and advantages of detente, Solzhenitsyn confirmed a growing popular suspicion that detente was serving Soviet rather than American purposes. He told Americans what they suspected: idealism and morality had been leached out of American diplomacy. Adverse reactions to Helsinki and the attacks on detente are further examples of the tendency to leap to quick, simple and traditional responses to issues within the framework of familiar patterns.



The project is a study of political behavior

*US didn't care*

Gallup poll asked... III

At the more specific level Americans sense a Europe drifting to the left--helped by the evidence of the Labor government in Britain, the Social Democratic and Liberal coalition in Germany, but principally by the success of the Communist Party in Italy and enhanced prospects for the Mitterand coalition in France. Semantical difficulties influence this perception. For example, there is no social democratic party in America; hence Americans have no rule of thumb in judging the nature and probable behavior of these unfamiliar European political groupings.

*breakdown  
communism*

The prospect of communist participation in one or two major Western governments attracts growing American attention. In June a Gallup poll asked this question: "Which of these things [respondents were shown a card] should the United States do if the Communists came to power in Italy and France." The card listed the following:

- A. Use military force.
- B. Apply economic and political pressure.
- C. Get out of NATO.
- D. Cooperate with the Communists."

The poll indicated that "About half (49%) of all persons interviewed think that economic and political pressure should be applied if the Communists came to power. About one in every five (22%) favors the use of military force with more younger than of

of the older people favoring this action. Only about one person in ten (9%) favors cooperation with the Communists." If one adds to this the 13% who advocate getting out of NATO a total of 84% took an exceedingly hard line. However, Potomac Associates found in their survey that the public put this issue near the bottom of the list of priorities, number 25. The apparent contradiction can be resolved by noting that while the question seems the same, two quite different reactions were sought. Potomac Associates wanted to find what priority the public assigned the issues; Gallup asked what the United States should do. The answers correspond to the national mood: slight interest in foreign problems; but when, pressed to recommend a course of action, a preference for the tough, belligerent response.

These reactions suggest other currents of American opinion. First, Eurocommunism is a new phenomenon, which does not fit into the familiar patterns of the past. Declining interest in foreign affairs and limited information generally can lead to a volatile, and, at least initially, aggressive reaction. The instinctive, gritty response is especially interesting when compared with reactions to a question asked in the same Gallup poll as to the course to be advocated "if troops of the Soviet Union and its allies should occupy West Berlin." Here, where national commitment and security interest seem clear, 34% elected to "appeal to the Security Council of the United Nations," 32% favored "undertake

diplomatic steps," 15% advocated "do nothing, wait and see what happens"--all essentially passive moves as contrasted with answers to the Italian and French communist question. Only 16% were prepared to "strike back militarily" and 4% were prepared to "declare war." This striking incongruity might be explained by the fact that Americans have lived through Berlin crises and know that they lead directly to Soviet-US military confrontation, while overt action to deal with the novel and obscure Eurocommunism issue does not necessarily produce such a stark denouement.

The more general image of Western Europe, again within the context of other American preoccupations, is of an increasingly confused and disunited continent, politically unstable, caught in serious economic difficulties. This impression is hardly surprising in view of the general lack of knowledge, interest and inability of the media to analyze intelligently, if at all, extremely complex European political-economic developments. The magnitude of the problem can be appreciated by reflecting on how to explain to Americans the nature of the German governing coalition--the alliance of SPD with the FDP, of CDU support of co-determination, of opposing positions on Eastern policy.

One of the most striking developments in American attitudes has been sharpened concern about national security. The interlocking factors include apprehension about the decline of American importance and power in the world relative to the USSR and China; the sense

of a dangerous world and a ruthless, unpredictable adversary; a remarkable degree of "trust and confidence. . .in the leadership of our armed forces"--up to 68%, to be contrasted with a sharp drop from 67% in 1974 to 53% in 1976 of confidence in the federal government's handling of foreign policy.<sup>3/</sup> Potomac Associates concludes, "They want to feel certain that our military strength places the United States clearly and unequivocally beyond the danger of challenge by force. We want to be--and be seen by others to be--number one in the world of total military power."<sup>4/</sup>

This emphasis has several implications for American-European relations. The commitment to NATO is implicitly strengthened as contention over the troops in Europe issue is dissipated. The contentiousness of this latter problem has also been mitigated by the collapse of the fixed exchange rate system and thus of American fixation with balance of payments statistics. There is a further, somewhat cynical explanation for the national enthusiasm for national security programs. At a time of recession and high unemployment labor, business and political interest groups become natural allies in combatting proposals to reduce defense expenditures.

There is no substantial body of opinion arguing, as has been the case in the past, that Europe should by now assume responsibility for its own defense, or that America carries a disproportionate share of a common security task. There is resignation in this

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<sup>3/</sup> Slocombe, Free, Lesh, Watts, op. cit., p. 32

<sup>4/</sup> Ibid. p. 42

view, however; a sense that no matter what might have been hoped in the past Western Europe, for the foreseeable future, will be unable to organize its political, general economic and defense resources so as to assure its own security. Only a few American voices continue to argue from demographic and crude economic data (George Kennan for one) that there is no objective reason why 300 million Western Europeans cannot mount their own defense-- other than a lack of will.

The nuclear issue--power plants, reprocessing facilities, waste disposal, weapon proliferation and seizure by terrorists-- has caught public attention and concern and will certainly grow. Americans are puzzled by the apparent inability of Europeans to appreciate the dimensions of the problem, are frustrated over the sale of plants and technology to such nations as Brazil, South Korea and Pakistan. This is perceived as blind European governmental support of crass business interests. Senatorial proposals for harsh retaliatory action against nations that pursue such policies are harbingers of the future.

American business and economic opinion is bearish about Europe. With the exception of Germany it sees countries unable to reconcile public demands for governmental services with national product. These observers would agree with Carli that in substantial part this is less an economic than a political problem. They fear a growing pattern of political, and in some cases, doctrinaire,



One of the persistent beliefs is that Europe is the artful protectionist, declaring its liberality, denouncing American behavior, but cleverly manipulating imports through government regulation and under-the-table restrictions. The myriad devices whereby European governments insure that national procurement remains the province of local concerns is cited as a notorious example. A primordial American conviction is most clearly evident in this area, the notion that American negotiators always come in second, that the simple, good-hearted American will inevitably be done in by the cleverer, more determined European. It is an article of faith that the United States was the big loser to the Europeans in the Kennedy Round negotiations. The notion of incompetent American innocents abroad was furthered by the Soviet wheat deal.

The attitude of organized labor is a special and discouraging case. Nationalism and protectionism have replaced labor's impressive post-war record of constructive involvement in international affairs. Its current approach mirrors with only slight distortion one side of the national mood: protectionism; general suspicions of multinational companies and the conviction that corporate investment in Europe mean the loss of American jobs. The labor movement is also an example of the manner in which a minority in the United States establishes a policy. A handful of AFL/CIO executives lay down "labor's views" with little interest and no

dissent from locals around the country. For George Meany and his associates the dangers of this world have not changed, only our insight is less acute. The seminal evil is communism. Anger is mixed with contempt over the failure of European unions to recognize the charade of Soviet and Eastern European government-sponsored "unions." Meany expresses contempt for those European unions that largely ignore what he sees as the primary responsibility of a labor union--wages and conditions of work--and concentrate on ideological and political issues. Potomac Associates studies indicate that American labor is more anti-internationalist today than the general public:

	<u>National</u>	<u>Professional</u>	<u>White Collar</u>	<u>Manual</u>	<u>Non-labor (retired)</u>
Internationalist	44	49	48	36	48
Mixed	33	38	28	31	31
Isolationist	23	13	24	31	20

IV

The utter complexity of contemporary attitudes toward Europe can be brought into focus by examining the evolution of American views of the European Community: from post-war optimism, belief in quick solutions, active involvement, to a substantial loss of interest, skepticism and uneasy apprehension. Curiously, Americans believe that European unity has progressed farther than is in fact the case. When the hard, discouraging facts emerge, the reaction



*Identity  
contradiction.*

is disillusion. The excitement of the 1950's and '60's in a bold and exciting adventure has been lost as the Community flounders in bewildering detail, endless national wrangling and shows little evidence of becoming an authentic political unit.

Yet this negative attitude reflects more drift of attention than basic change of attitude, or new hostility. American interest is latent and could be aroused. That small, reasonably informed and interested band of supporters is discouraged over the failure of Europe to organize itself so that it can speak with one voice, to rally its great human and material resources so that Europe can play a world role commensurate with its basic interests. This judgment especially applies to the crises in the Middle East and southern Africa. They are discouraged also by the failure of Europe collectively to cope with critical situations even closer to home--Italy, Greece, Turkey and Cyprus. Stagnation in the Community brings sour satisfaction to a tiny group of skeptics who never believed the effort would succeed. They now relish their authority as vindicated prophets.

American diplomacy both matches and shapes the national mood: nationalism; preference for relations with several of the principal European governments and leaders rather than the difficult labor of working through Brussels or attempting to encourage collective European action. An inward-looking America has neither the

inclination nor the generosity of spirit to appreciate the difficulties, to applaud the substantial success of the European movement and to understand the magnitude of the enterprise.

V

This review suggests a maze of paths and byways which lead in every direction. This may be its value, if the impression left is confusion, ambiguity and paradox. The shock of the oil embargo, the unprecedented dependence on others for essential raw materials have forced Americans to face the uncomfortable reality of a much more complex world. Moreover, those responsible for the conduct of Atlantic relations and those interested in this aspect of international affairs must accept the premise of American preoccupation with domestic economic and social problems. This ordering of priorities is fixed for the discernible future. This is not a peculiarly American phenomenon. A glance at the leaders of opposition parties demonstrates that they sense that the road to political power lies through attention to public discontent with domestic ills. Kohl, Thatcher and Mitterand are hardly notable as thinkers or innovators in the field of foreign affairs--any more than Carter.

A probe of the apparent contradiction whereby heads of government devote so much time to a subject of manifest popular unconcern has some relevance to this analysis. Incessant bilateral

meetings, protestations of competence in foreign affairs, devotion to the cause of world peace all seem less a matter of conviction that the politicians see their activities as crucial to the well-being of their subjects, or a response to insistent popular demand, than as an escape from almost insoluble domestic problems.

Diplomacy as a game is therapy, especially among Americans and Europeans, for the harried politician. The Puerto Rico meeting was a depressing example of a conference designed to distract if not beguile the public, to manufacture an aura of serious international discourse, and thus to escape for a moment intractable domestic problems. This diversionary tactic neither deals with the heart of American-European relations nor the pressing economic problems of the world. The public was not amused or bemused. If this seductive device becomes endemic it will only strengthen public cynicism.

Nixon-Kissinger-Ford diplomacy has aggravated the general mood described above. By ignoring or underestimating the importance of economic and social factors there has been no serious American leadership in this area. Sensitivity to the fundamental significance of economic phenomena to an ordered world would have led to an understanding that these problems can only be dealt with through American-Western European collaboration. Rather than a strategy, random suggestions and ideas have been thrown out as conjurer's tricks, programs launched but then allowed to drift as Washington's attention wandered.

Because of Kissinger's "grand strategy," with Soviet-American relations dominant, the American public's subliminal perception is of a less important Europe. Thus American interest stirs only over such issues as Eurocommunism or damage presumed to have resulted from detente. Intuitively many Americans have absorbed Kissinger's cynical judgment that Europeans are pawns in the great game among the superpowers. The American predilection for intimate, self-serving relations with a few major European political figures has not left the impression of serious and constructive Atlantic relations. Those Americans paying attention sense that Schmidt is cultivated because of German economic power; Giscard due to the hard-learned lesson of French capacity to obstruct; Callaghan for reasons of nostalgia and British readiness to carry the "American bucket."

*What  
mean?*

It should not be overlooked that the Europeans are more than willing partners in this game. They have eagerly developed and maintained these personal, bilateral relationships. When charged with a lack of attention to the Community or collective European action, Washington's defense is to point out the evident lack of European interest. It is hard to avoid the conclusion that if Europeans are content with this peculiar relationship of relatively small European nation states willingly providing their proxies, then why should the American public have a larger view of Europe and its role?

VI

An unpleasant brew is simmering: Americans as uninterested spectators; bilateralism routinized; nationalistic, unilateralist behavior prevalent; plus a manifest uninterest in institutions-- the latter point made more difficult by America's total disenchantment with the United Nations. As a result, American opinion has retrogressed from its immediate post-war interest in developing an international regime of enforceable rules and effective organizations. Jean Monnet, in his recent memoir, indirectly spoke to this point when addressing the dangers inherent in nationalism: "It is not a question of political problems which, as in the past, oppose forces which are seeking domination or superiority. It is a question of causing civilization to make new progress, by beginning to change the forms of relations between countries and by applying the principle of equality amongst peoples and of relations between countries. The people no longer wish to have their future linked to the skills and ambitions of their governments. They do not want any temporary settlements, and therefore they want an organization, a procedure for discussion and joint decisions to be set up in our countries." American indifference to the European Community is thus partly due to Washington's mere pro forma acknowledgement of its existence. Similarly neglect of the OECD has stultified this potentially useful organization. Indeed, the habitual use of ad hoc arrangements flies

in the face of the principles Monnet describes. Inevitably America's disposition toward nationalistic, unilateral behavior is encouraged.

The ambivalence of the United States regarding world affairs is clear, as is its ambivalence about Europe. The litany is hackneyed: "We want a strong, united Europe prepared to assume its proper place in international affairs." The question is how much this is old rhetoric and to what degree these words reflect firmly held American views. The emphasis on superpower politics and maneuver, the revived consciousness of a Soviet menace, the immediate political boiler-plate that "we will be satisfied with no status other than military superiority" transfer to Americans generally the notion of the lonely, self-reliant and tough cowboy. The Mayaguez episode was a deplorable and frightening example of how this attitude can be translated into action and be rewarded by popular acclaim.

It would be prudent for Europe to regard the United States as a difficult partner. The extensive Potomac Associates polls and analyses support this conclusion. Aside from the relative importance the public attaches to national defense, an objective which is in fact a nationalistic priority, relations with Western Europe are not reached, even implicitly, until priority number 16: "Maintaining respect for the U.S. in other countries." One can only speculate why this is a matter of such importance to the

public: Wounded ego? Apprehension and embarrassment about the loss of status due to Vietnam? Watergate and Angola? But only at priority 22, "Maintaining close relations with allies" is there a direct link identified between the United States and Europe. It might be pointed out that number 19, several points higher in the American consciousness, is: "Collecting and disposing of garbage, trash and other solid wastes."

Fortunately the picture is not exclusively negative. As the Potomac Associates point out: "The essential stability since 1974 of the relative internationalist-isolationist balance, after several years of steady decline in the former and growth in the latter, should be viewed in the context of a revitalized concern for some of our principal allies. And the sober realism of the public assessment of current and future relations with major adversaries is noteworthy; at the least, there are no unwarranted expectations to be easily violated, and so to bring disillusionment and cynicism. Future negotiations can be conducted with the domestic support of a people tired of being fooled, whether by their own government or by their enemies, and prepared to have their leaders bargain hard from a position of strength."<sup>5/</sup>

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<sup>5/</sup> Tucker, Watts, Free, op. cit., p. 40

VII

Nonetheless there is a disturbing bias built into American attitudes which, although not aimed at Europe, has profound implications for Atlantic relations. Where economic interdependence is for the expert the central fact, for the public the preference is for unilateralism and for the aggressive pursuit of national interests. The country is largely insensitive to the plight of the poor countries; more precisely, sympathy is expressed along with reluctance to support rhetorical compassion with real resources. Certainly an inner-oriented society is less prepared and willing to recognize the political, economic and psychological problems of its European allies. Finally, the aura of self-reliance contains the potential for a dramatic change in attitude toward the Atlantic Alliance. Should NATO show signs of serious weakness, then a Fortress America sentiment could take command.

As has been seen, with respect to security matters enhanced popular support is remarkable. But here, too, there are disconcerting implications. Interest in allied relations does not necessarily mean support for sophisticated collective security. There is little enthusiasm, for instance, for equitable sharing of military research and development, procurement and production. The whole thrust of pro-defense, anti-detente and anti-USSR sentiment is ominous for the future of arms limitation negotiations.



An extraordinary challenge is posed American leadership. Opinion is not set in concrete. Ambivalence and preoccupation are hardly the most desirable public attitudes, but they are better than strongly held wrong views. If American leadership is to move the country along positive lines much depends on Western Europe itself. If European governments have become addicted to the glamor and self-service of German, French or British-American relations and fail to make progress in collective European enterprises then Americans will intuitively sense that their allies across the Atlantic are not serious. Europe has shown imaginative initiatives and the capacity for effective collective action in its relations with the developing countries, notably with the Lomé convention (one can only deplore the failure of Americans to recognize this achievement), as it has shown reluctance to face the issue and to develop a common approach to the danger of the proliferation of nuclear materials and technology.

It is hard to predict the direction the United States will take in 1977. A pessimist can find much support for his gloom in the evidence of an inward-looking America, its nationalistic spirit and preference for unilateral action, its heavy emphasis on defense and military hardware. The optimist has a harder but not impossible task. Despite disillusionment and disasters, at home and abroad, there are strong currents of continuity with the past, including the commitment to allies.

It will be essential that the United States resist the temptation to see international problems in simplistic, narrow and moralistic terms. While the best elements of post-war policies--building of economic strength, institutions and rules; sharing of responsibility; acceptance of diversity--are preserved, the objective international problems are more difficult and complex, as is the national mood. The road America takes will be uniquely dependent on the leadership it gets.

\* \* \* \*

# General points

1. Topic made too much of by different -  
corporations: union. From nothing to where are  
- HK asking about "crisis of  
Europe."  
(Fr, UK, etc)
2. Relations - could not be  
incompatible w/ union. Integrating  
needed for union
3. Pol. consultation - has improved  
ESCE. "I led us into Helsinki."
4. HK more understanding today than  
earlier.
5. OECD - Too focused on agency. 124 -  
Current effort of G7: US relations;  
EU trade. HK effort? Related?
6. Concluding 75. Om. leadership. But  
European behavior. Evolution of US  
status depends on how Om. relations  
over. Pol. election. (Optimistic aspect)

THE ITALIAN CASE

Partial summary of the proceedings  
of an Italo-American conference.

## THE ITALIAN CASE

This note is drawn from the proceedings of an Italo-American conference, organized in mid-November 1976 in Bologna, by the Council on Foreign Relations (N.Y.) the Johns Hopkins Bologna Center and the Istituto Affari Internazionali (IAI, Rome). It does not pretend to give a complete account of the discussion. Instead the rapporteur has concentrated on "the Italian case", picking out the most relevant items discussed there, on this issue. Particular attention was given during the discussion to the PCI role and policy : the present summary reflects that. Although none of the opinions expressed are attributed, it is worth recalling that, from the Italian side, the various political parties were represented by authoritative speakers.

### 1. The economic situation

Italy is living through a period of grave economic crisis. A participant pointed out that taking 1970 as equal to one hundred, industrial production in 1974 increased to 119, and wages (in constant percentage) to 144.6. These trends sharply widened with simultaneously declining production and rising wages in 1975, and despite growth in production in 1976, the negative trend will continue to develop. Using again 1970 as 100, consumer prices between 1971 and 1974 rose by 41, mirroring the aforementioned wage increases in overall inflation.

Nevertheless, according to others, positive elements in the situation are to be found. To begin with there has been a notable redistribution of income through the social security system and a general rise in living standards. An economist pointed out that the Italian economy may not be as sick as it appears. A look at industrial production figures will reveal that Italian industry has abundantly come out of the doldrums.

of the slump that the international economy suffered in 1974 and 1975. The peak levels of 1974 were regained in the first half of 1976 and the general industrial production index is now (November '76) quite a bit higher than that. The same applies to unemployment. The OECD current figure of 3.5% of total labour force out of work in Italy compares very favourably with other European countries (particularly those countries that are members of the 'snake', Belgium and the Netherlands being the greatest sufferers). Italian exports are expanding at the same rate as world trade. The black side of the economic situation is seen in other figures : the growth rate of retail prices, the fall in the international value of the lira, the current account payments' deficit. According to this analysis, the basic problem is the weakness of money control mechanisms at the disposition of the Italian government, which results from the scarcity of reserves.

2. Reasons for the economic crisis.

Varying interpretations of the causes of the crisis were put forward. However, all were agreed upon the disastrous effect of the increase in energy prices that had both accelerated domestic inflation and brought about a dramatic worsening in the balance of payments, making it impossible for the Bank of Italy to deal effectively with the crisis. To this, it was widely agreed, must be added the enormous structural public spending deficit and the automatic salary indexation mechanism which every three months brings salaries into line with the cost of living, thus provoking yet more ferocious inflation. According to one participant, the labour movement has won a position of

power that has led to a redistribution of income. Due to the indexing of wages and the impossibility of making people redundant, the employers have been deprived of the traditional means of economic management. The economic system is not capable of adjusting to these changes.

A Communist participant pointed out that until 1968/69 wage increases were strongly restrained. Subsequently wages have increased, catching up inevitably with those in the rest of Europe. The problem, in his view, was that the government had not developed an adequate economic policy to keep pace with this increase in the rate of salary growth. Another participant added to this that the Christian Democrats, faced by labour's increased share of total income, wanted to distribute its benefits to those groups that were its strongest supporters (state bureaucrats, white collars, etc). This added a supplementary drain on the limited resources of the system. Nevertheless, it was generally recognised by all sections of the political spectrum, the problems of the reaccumulation of capital had been overlooked for far too long. Both Communist and Socialist participants argued that the time had now come when the labour movement must assume its responsibilities and contribute to higher productivity, forgetting for the moment its main rallying cry for the redistribution of income.

### 3. Proposed remedies.

Everybody referred to the international scene, underlining the importance of the maintenance of a strong frame of international solidarity. In particular, protectionist measures, either declared and explicit or concealed behind a series of seemingly innocuous and sectorial decisions, must be avoided. A Communist participant pointed out that until now the PCI had

been the only party to suggest to the government that it should inform the European Commission in advance of the measures that it thought might be necessary to put the Italian economy back on its feet, thus avoiding counter measures and preventing a breakdown of confidence amongst the allies.

Several participants emphasised the need to develop a thorough-going incomes policy in order to limit decisively the inflationary spiral. To accomplish this a mere tightening of fiscal policy would not be sufficient ; a more general political agreement is vital. On the whole, all participants were agreed on the need to limit the incidence of the wage indexation and of the huge burden of social service costs.

One speaker from the Christian Democrat Party talked of the possible closure of the 'lame ducks' in the industrial sector. He argued that the EEC must elaborate an industrial policy within which the Italian industry could restructure production costs. This would be possible if the EEC established an effective energy policy and if her economic policies were brought more into line with the needs expressed by member states. Yet others pointed out the important role that could be played by international organisations (the IMF for example) and international loans, in conditioning the policies of the Italian government.

At the same time it was stressed by an American participant that the conditions that the IMF or the EEC impose upon Italy as the quid pro quo for assistance cannot exceed those that the Italians themselves feel are feasible, without damaging seriously the political autonomy of the country or destabilising the government in office. Various speakers observed



that(a) it is neither dignified nor economically healthy to expect the solution of the Italian problems through foreign assistance ; (b) assistance is in reality useless unless it forms part of a rational economic programme. So, for the majority of speakers the problem was essentially domestic, to be solved principally by the Italian government.

All underlined the qualitative difference between the economic interventions of the EEC (an integrated supranational organisation) and those of the IMF or individual states. There was unanimous agreement that politically the EEC was more acceptable.

#### 4. The internal political scene

On the purely political side there was general agreement that the 'centre-left' formula (DC + PSI + minor lay parties) is dead. In addition, it was felt to be highly unlikely that the DC could form an alliance with the PSI without external support. At the same time, both Communists and Christian Democrats confirmed that the concept of the 'historic compromise', (i.e. direct agreement between the DC and the PCI alone), had been abandoned. This has been substituted by a new Communist proposal for a "national coalition" government ( a proposal to which neither Republicans nor Socialists seem to be hostile), comprising the old centre-left + the PCI + the possible participation of the Conservative PLI.

Many Italian and foreign observers emphasised the growing pressures within Italian political parties resulting from dissatisfaction of members and moves within the electorate. This is particularly true of the PCI. Speakers drew attention on one side to its enduring 'centralism' (of Leninist origin)

and on the other to the increasingly public debate amongst important factions within the Party.

Equally, the different relations that exist within the Christian Democrat Party were noted ; for example, those between the current head of government, Andreotti, and other sections of the Party (for example DC senators have publicly opposed the government's plans for a wage freeze). In addition, there is the development of new groupings within the right wing of the DC, which are opposed to the present government's reliance upon the abstention of the PCI and want new early elections.

Several participants emphasised the important political role that was being played during the present serious crisis by the Trade Unions and the employers' association, Confindustria. The stances they assume have direct consequences which can force the government to appeal directly to the Parliament, and thus to its majority which depends on the PCI.

5. Different government coalitions.

The government coalitions that were proposed can be summarized as follows :

- a) Maintenance of the present formula : one party government by the DC, based on the continued abstentions of the Communists and of the left and lay parties. A majority of the DC seems to be broadly in favour of this situation, as do the Communists for the moment, though they are asking for a greater say in government policy.
- b) National coalition government (all parties, excluding the neo-fascists) ; this proposal has been put forward by the PCI. It is supported by the PSI as a transitional measure,

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Leading subsequently to an alternating government between a conservative and a left coalition. The Republicans (PRI) argue that it could be a necessity in order to control the economy, but point to some inherent political risks : they feel that these can be overcome if both the Americans and the Europeans will provide the necessary political framework.

- c) Various possible coalitions (a government of "experts", of leading economists, etc., a new minority government, headed by a leftist Christian Democrat, or other numerous possibilities), all characterised by a more explicit and greater role of the PSI and PCI together in the parliamentary majority. These proposals are put forward as an alternative to the falling down of the present Andreotti government, and in order to offer a parliamentary solution that would maintain the present coalition of forces, possibly enhancing it with a more coherent economic programme.
- d) Open confrontation between DC and PCI, and early general elections : this would probably lead to an electoral defeat of various small and medium sized parties, making it thus impossible to form a majority government of either the left or the right. Given this situation, there would be two alternatives:
  - i. a reconsideration of the idea of the "historic compromise";
  - ii. a crisis of the democratic system, resolved by violence, with the establishment of a totalitarian regime of either the left or the right, depending upon the prevailing domestic and international situation.

6. The proposed economic policies.

The relationship between possible government coalitions and economic policies can be summarised as follows:

- a) Inclinations towards an 'incomes policy' are already noticeable in the present government (although its political ability to impose such a policy is doubtful).
- b) The idea of a grand coalition (and of the various coalitions sub 5c) is strictly linked to an incomes policy (according to the PRI it is its condition). Such a government could have the backing to push such a policy through.
- c) General elections and the alternative between a left or conservative coalition would mean an increase in public expenditure. Based upon an extremely marginal consensus (to win 51% of the votes), no one would risk putting forward unpopular measures.
- d) Those supporting the confirmation of the present government and even more those pressing early elections, place enormous emphasis upon external aid and international support (this is true of the left as well as the right). Those in favour of an incomes policy, are less keen on calling for unconditioned external help, and would prefer to work out together a tighter national economic policy and the necessary foreign loans.

7. The credibility of Italian parties.

Doubt was cast on the democratic credibility of the PCI and on the political credibility of the DC. On the whole, American participants sensed the new political climate that exists in

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Italy whereby no one doubts the democratic evolution of the PCI or would refuse to discuss with it. The PCI is already established as part of the political scene in Italy. Doubts continue to be raised as to the position of the PCI in international politics and its links with the USSR. As to the DC, it was underlined that one must distinguish between the Party and the government ; they may sometimes be in disagreement. A great deal of the Italian governmental crises was due to the internal DC disagreements.

Answering a number of direct questions, the Communist participants gave the following clarifications:

- a) The PCI's interest in a grand coalition is increasing as it feels that only in this way can the crisis of the country, being split into two (the 'Chilean' hypothesis) be avoided.
- b) The whole Party is agreed on this strategy. Although there are wide differences as to timing and methods, these neither modify nor menace the line of the secretariat or the Central Committee.
- c) The philosophy of the PCI is autonomous of Moscow. The Italian road to Socialism is based on a critique of the form of Socialism that exists in the Eastern bloc. Italian Communism is based on a) pluralism, b) the confirmation of all those liberties achieved up until now, c) the freedom of speech and of the press, and d) the alternation of parties in government. Differences also exist within West European Communist Parties, although they are all agreed that so-called Eurocommunism cannot be of the same hue as that of the Communism practised in Eastern Europe.

- d) The PCI has changed its conception of foreign policy along with the other parties : its aim is that Italy should be a factor of stability both within the Atlantic Alliance and within the EEC, contributing to the resolution of economic and political crises and combatting the symptoms of protectionist policies.
- e) The PCI recognises the need to evolve new forms of internal organisation in order to deepen the debate within the Party. "Democratic centralism" is a concept that is already evolving. However, as yet the Party has not come up with a new formula that combines the same efficiency with greater internal freedom.

8. Italy in international politics.

Primary importance was attributed by all participants to the prospect of European integration. An introductory paper pointed out that consensus about the European Community is more spontaneous and wide-spread in Italy than in any other European country. Today this consensus includes the PCI. In line with the specific problems that Italy faces, domestic debate concentrates on development policies and instruments designed to increase the EEC solidarity : the regional, social and industrial policies, etc. Thus, there is little sympathy for purely economic integration (a European free market).

Various participants argued that the entry of the PCI into the government would make the process of political integration easier. The reasoning was as follows : entry of the PCI into government is necessary both for society and the government if one wishes for economic recovery within a democratic framework. Indeed it is also of some relevance to Europe : democratic Europe

is based on the prevalence of social democracy, of christian democracy and various liberal currents ; while in the North of Europe these parties control practically the whole political spectrum, in the South of Europe (in France, Italy and the Iberian peninsula) they are far less predominant. This distortion could be eliminated through cooperation with the Italian Communists. The French Communist Party, might be then won over in support of European integration.

Other participants argued that European hopes were conducive to stability in that they permit the progressive integration of new political forces into Italian political society. Nevertheless, if the idea of 'Europe' is to continue to play this positive role there must be progress both on the political (direct elections to the European Parliament) and the economic side (more effective structural policies).

Particular attention was paid to the whole of Southern Europe. Even if its political and economic problems and preoccupations are not uniform, there are nevertheless common factors:

- a) Important economic links with the EEC.
- b) Internal political developments which point to the necessity for a fairly uniform approach. A crisis in one area could well exercise a snow-ball effect. Given this context, European policy, based as it is upon the idea of political and economic integration, has been far more successful than American policy which lacks these characteristics.

During the discussion, notable emphasis was placed upon the military and strategic aspects of European prospects. This has been made necessary by the present weakness and the political uncertainties that surround NATO and seem to correspond to the manifold needs for reorganisation.

9. The PCI's international and security choices.

One participant felt that the importance of the Soviet connection might well be underestimated by the PCI. A key, and notably delicate point, would seem to be Yugoslavia. The PCI has often demonstrated:

- a) Its interest in the maintenance of the present equilibrium.
- b) Its willingness to contribute to Yugoslav independence.
- c) The logic of the link between Italy's membership of the Atlantic Alliance and the maintenance of the equilibrium.

Asked about bases and Italo-American security relations, a Communist participant replied that the PCI both recognises and accepts the Atlantic Alliance (given the present strategic and military status quo) with all the consequences that this entails for Italy : the maintenance of bases, military agreements, etc. The PCI is : (a) in favour of the maintenance of the present balance of forces in Europe ; (b) concerned that military questions should not be divorced from those of economic and social stability.

An expert on Communist problems felt that the brief comments made by the Communists during the debate did not reflect entirely the kind of discussions that were going on within the party. The PCI's military policy which does not seemingly call into question Italy's NATO role, vaguely appears to be open also to European cooperation over arms procurement and defence. Still, elements of doubt remain on both the economic level (the financing of military expenditure ; here aid could be called for from Italy's allies, linked to a plan for the modernisation of Italian forces) and for emergency regulations under which NATO might take control



of Italian troops and bases. Other non-Communist participants raised doubts about the basing of nuclear weapons in Italy should the Communists come into government. Could such weapons continue to be based in Italy if the PCI's membership of the government excluded the Italians from the Nuclear Planning Group?

Some observers felt unhappy about the PCI's linking of its current position to the "maintenance of the military and strategic equilibrium" : it was not clear whether the PCI intends by this that it wishes to contribute to the maintenance of this equilibrium or whether it is making such an equilibrium the 'precondition' of its policy. In the latter case would changes in the equilibrium, for example in Yugoslavia, lead the PCI to reconsider its present line? In reply to these doubts, the Communists underlined the clear urgency and necessity of opening up a far wider political dialogue both within the West, and between Communists and Americans.

10. The internal reasons for some international policies.

Many speakers underlined the strong links that exist between the international and domestic scene. Indeed both Christian Democrats and Communists emphasised the necessity to push ahead with detente and the importance that such developments have had and will continue to have on the Italian scene, permitting innovation and experiment in domestic politics.

In more general terms participants stressed that the effects of detente will not be limited to interbloc relations, but will influence developments within the blocs. Others spoke of the need for greater credibility and stability in Italy if the process of European integration is to move forward. Indeed the strict links between these objectives were emphasised. The direct election

of the European Parliament was seen as a useful tool for integrating Italian and European political forces. In this way one might be able to reduce the significance of Italian 'peculiarities' on the European scene.

What is expected of the United States?

In the first place, a greater and more coherent approach to European problems. In the second place, a more open attitude towards European integration. In particular, various participants suggested that the United States would be well advised to let the Europeans work out their own economic recovery programme, which the Americans would then undertake to support financially through USA-EEC multilateral negotiations.

Broadly the USA should :

- a) have greater confidence in, and give greater independence to the Europeans in the area in which they have greatest influence (the Mediterranean and perhaps Africa South of the Sahara);
- b) give more weight to multilateral negotiations in the resolution of economic problems (energy for example);
- c) pay greater attention to the EEC and support its initiatives.

Such a thesis, as was noted by many participants, was substantially different from George Ball's apparently 'European' line put forward in an article last summer. Ball had inferred that the EEC sought to act on behalf of US interests and according to American evaluations of the situation to limit Italian autonomy, using instruments that the US would not have been able, decently to use.

In the thesis outlined above, the USA would not call on the EEC to carry out its dirty work but instead would trust the free judgement of the Europeans and the positive and stabilising aspects of the process of integration.

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This summary was prepared by Stefano Silvestri on the basis of notes taken by Franca Gusmaroli and Bona Pozzoli during the meeting.