BRITISH EMBASSY.

lagree is general with this analysis, and is particular with the conclusions, But Mr S-O does not suggest that the PCI has abandoned democratic

Centralism: ie, the painty has been decided by the origonary and the base has to toe the line. This is very affected from 1982

democratic socialism, and the other parter will say so (M, C, para 9, does

A C Goodison Esq CMG, CVO Should I reply? Assistant Under Secretary of State

Dear Alan, Mr Ostame High to copy a way for PCI/CPSU RELATIONS

16

1. Rome telno 28 promised further comment on the sharp exchange between the Italian and Soviet Communist Parties. Tom Richardson has already written separately to Keith MacInnes about the possible use to be made of the texts; I now enclose them for you, with our slightly abridged translation of the PCI statement. I also enclose previous papers for those posts which did not receive them

at the time.

- The PCI leadership were waiting for this attack from Moscow. The Czechs and Hungarians had given them a foretaste, and it looks as though there may be more to come: "Kommunist" has already followed up the Pravda piece, and the PCI for their part have promised further retorts.
- This is the most serious rift ever between the two parties, although Berlinguer will not accept that it is "excommunication" (para 5 below). The invective in both directions has been harsh: the CPSU have bracketted the PCI leadership with Reagan, while the PCI have denounced Soviet imperialism in unequivocal terms. Individual PCI spokesmen have said most of this before, especially when addressing a wider Western audience; now it is party policy and receiving enormous publicity. More important still is the ideological content of the dispute. PCI have condemned socialism as it has developed in Eastern Europe, rejected any form of Soviet hegemony, and have at last learnt from Poland that a communist party must be responsive to the workers' aspirations. They have long since abandoned any attempt to apply strict Marxist/ Leninist principles to an advanced Western European capitalist state. The combination of all these factors has put them beyond the pale for Moscow.



4. It is widely believed in Italy, even in right wing circles, that the PCI cannot now retreat to its former position in an attempt to heal the breach. Few suggest that their recent statements are a passing phase or a clever ploy to deceive the non-communist electorate. The assumption is rather that they have finally found the courage to come out into the open about the implications of their thinking on policy over the last 20 years. To abandon this position now, under Soviet pressure, would further confuse the base, disillusion the <u>riformisti</u> who are in the majority among party officials, and destroy the present leadership's credibility. It would also give the other parties a field day, leading to electoral losses for the PCI (see para 13 below). More than ever before, the PCI look committed to finding a "third way" between what they see as the two super power blocs.

5. It does not, however, follow from this that PCI/CPSU relations are damaged beyond repair. Pajetta, on whom I called at the end of last week (record enclosed for FCO and Moscow only), clearly did not regard this as a complete and irrevocable break. In time, the invective could be reduced and a healing formula devised to satisfy both sides' amour propre. Whether this happens depends on where the Soviets and the PCI think their interests lie. It is for Moscow to comment on the former; Berlinguer's decision will depend on his analysis of how the present rift affects the PCI itself, other Italian parties, and international opinion. May I take each area in turn?

## Effect on the PCI

6. Robert Culshaw's letter of 19 January gives the background to this. Although the leadership deny it, the party base is confused and worried. The psychological effect on them of such harsh words from Moscow should not be underestimated; for years they have been fed on myths, which had already survived Hungary, Czechoslovakia and Afghanistan more or less intact. For many, Moscow is still the spiritual home. In the party's regional congresses, there has been outspoken criticism of the leadership for ignoring Soviet achievements. At the Lazlo Congress, where Pajetta first made clear the lines of the FCI's reply to Pravda, 10% of the delegates abstained on the final document: in some areas the percentage would be much higher. The novel sensation of having no Soviet sheet anchor is uncomfortable for



many party militants, who fear that the only alternative is closer alignment with the US, however much the leadership now try to treat the two super powers equally. This uncertainty over where the party is now heading makes it all the more important for Berlinguer and the party leaders to define what is meant by a "third way" forward.

7. Because of these fundamental doubts at the base, Berlinguer must be very worried by the direct appeal to them, over the party leaders' heads, which the Pravda article contained. There seems as yet little risk here of a formal Spanish-type split into two communist parties, one of which would remain staunchly pro-Soviet. Such an orthodox party could make little impact on the Italian political scene, and it is hard to see the Russians' preferring that to a stake, albeit reduced, in Western Europe's largest communist party so long as there remains any chance of bringing it back to heel. Nor do mass defections from the PCI seem likely: discontented hard liners have nowhere else to go, and are by temperament likely to toe the party line. The real risk is therefore a hardening of opposition within the party to the present anti-Soviet policy, perhaps coupled with a reduction in effort and commitment by the militants who make the PCI work so well as an electoral machine. If this is indeed the Soviet aim, it could be realised, providing the situation in Poland does not deteriorate further (thereby reinforcing the line of the PCI leadership): at the very least, the Russians have sent a clear signal of support to hardliners like Cossutta.

# Italian Party Reactions

8. All the parties give the PCI credit for having taken a decisive step forward, and most commentators agree that it is irreversible. Each party's interpretation is naturally designed to suit its own political purposes. Thus, the Republicans, Social Democrats and Liberals have all said with varying emphasis that there can be no immediate effect on the composition of the government coalition, and they point out the ambiguity of the "third way". These small parties naturally have the most to lose from any form of Christian Democrat (DC)/PCI understanding which would render their handful of votes irrelevant. Spadolini, however, spoke of a new chapter now opening in Italian domestic politics; he

needs/



needs to retain PCI toleration of his government in key areas, e.g. to ensure passage of the 1982 budget.

9. More important are the reactions of the DC and the Socialists (PSI), since both parties have minorities favouring alliance with the PCI rather than with each other. (A key difference is that the PSI is at present so dominated by Craxi that a U-turn by him personally would be required; within the DC, a change in the balance between the factions would suffice). For the PSI, Craxi accepts the importance of the PCI's statement, but has asked them why it took so long to wake up. He has said that the PSI must become stronger before it can enter into partnership with the PCI. He has also commented that the PSI would not oppose admission of the PCI, perhaps initially as an observer, to the Socialist International. The PSI left wing argue that an alliance of left wing forces is now more feasible, but nevertheless realise the danger that the PSI could be swamped by an "acceptable" PCI; the lesson of the 'popular front' has not been forgotten.

10. DC reactions are complex. A minority see the PCI's greater independence from Moscow as removing the major obstacle to closer association of the PCI with central government. Others like Andreotti see it as an opportunity to remind the overweening PSI that they are not the only partners available for the DC; Piccoli, the DC Secretary, gave an interview on these lines to "Repubblica" which has caused consternation in PSI circles. The DC right wing deny that the PCI have yet proved their democratic credentials and concentrate on the ambiguities which remain in their international alignment. The DC Congress in April may reveal the relative weight of these various views; at the Direzione meeting on 29 January a consensus emerged that there should be no change in the present government coalition, thus leaving the PCI in opposition.

# International Reactions

11. The PCI <u>Direzione</u> paid careful attention to the international reaction when they met on 28 January. Comments from Brandt and the Yugoslavs must have encouraged them, but any hopes that the major Eurocommunist parties would follow the Italian lead have so far been disappointed.



No less important to Berlinguer is the attitude of Western governments; he needs respectability without appearing to sell out. The rift with Moscow does not mean that the PCI will suddenly become more pro-NATO; if anything, recent PCI references to NATO have become more equivocal. The biggest question mark of all lies over the US response; the fear of an American veto on PCI participation in central government will continue to weigh heavily, at least so long as Reagan is President and however much the PCI may claim that it can no longer apply.

12. The conclusions which the PCI leadership draw from their consideration of these three areas must be contradictory. The best way to reassure an anxious party base would be to take a tougher line on domestic issues. But this strategy, pushed to its limit, could produce a crisis and possible elections (on which we are reporting separately to WED). Furthermore, in order to win new converts (and compensate for any losses to the far left), the party must build on its independence of Moscow to show its most reasonable social democratic face, rather than retreating to rigid domestic positions. A similar dilemma faces Berlinguer over the party's international alignment.

#### Conclusion

13. The PCI strategy is long term, and the party leadership in pursuing it will have to endure more flak from Moscow. There is unlikely to be any immediate effect on the composition of the Italian coalition, if only because no majority exists in either the DC or the PSI for an alliance with the PCI. One result of this dispute is to make elections very soon less likely; the PCI need time to stabilise the party base (although even in a snap election Italian electoral conservatism and the strength of PCI party discipline would probably restrict their losses to a few percentage points). What is certain is that the PCI have introduced a new unknown factor into the shifting equation of Italian politics, which will in due course affect the relationships between all the three main parties. And if the ideological ground between the parties does indeed become narrower, then, to say the least, the voters are in for a confusing time.

> yours ever Michael



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H of C

cc: Mr Seeley
Mr Culshaw
I.O.
HMA o/r

#### CALL ON ON. GIANCARLO PAJETTA

- 1. On the evening of 29 January, I called on On. Pajetta, holder of the foreign affairs portfolio in the PCI direzione. We had last seen him at the Ambasador's PCI lunch last year. Although now 70, he looked very spritely and seemed to be enjoying the diet of speeches, articles and TV interviews imposed on him by the polemics with the CPSU.
- 2. His message though he did not use the phrase was that everyone was out of step except the PCI. The party's willingness to face "reality" and speak out about it should be contrasted with the "whitewashing" by the Soviet Union of their policies at home and abroad and the "provincial" reactions of the other Italian political parties. "Reality" must likewise be recognised in Poland. The Polish communist party might be one "reality" but there were other "realities" in Poland: the Church and Solidarity. The will of the people must emerge through discussion between these elements: this could not happen if their representatives were in concentration camps.
- The PCI's views on Poland should come as no surprise to the CPSU. They had been making known their disagreement with some features of Soviet foreign policy for many years Hungary, Czechoslovakia, Afghanistan. But of course the PCI's statement of 30 January had gone further than this, with its strictures on the way communist society and economic organisation had developed in Eastern Europe. It had been accepted at the 20th party congress of the CPSU that each national communist party should find its own way forward, but the Soviet Union now seemed to want to change this. Talk of 'exporting' or 'importing' doctrine was unacceptable. The PCI could not accept the claim of Moscow, which held itself to be the "third Rome", that Rome in its turn should become the "second Moscow". Some full-blooded exchanges of view were therefore to be expected, though some of the Soviet language had been more violent than was warranted: it was to be noted, moreover, that the PCI's own statement had not been published in the Soviet press, but Unità had carried the full text of the first Soviet riposte. A further blast from Moscow was no doubt on the way.

- 4. It was painful to see how the Pravda article attributed the worst motives to the PCI leaders in taking their stand with its suggestion that their main concern was to present themselves as finally qualified to enter a coalition government in Italy. Their real concern, on the contrary, had been to speak the truth. None of this meant, however, a complete or irrevocable "rupture" between the PCI and the CPSU. It was, on the contrary, the more necessary that deep differences of view should be aired and openly discussed. There need not be an end to visits between party delegations, but they must be for the purpose of serious discussion, not simply for drinking empty toasts.
- There was a similar failure to acknowledge "reality" among Italy's political leaders. The need for alternativa and the unity of the left was clearer than ever. But the only change was that another "pretext" for the exclusion of the PCI from government had been removed - the "Soviet link" argument, just as Mitterand's inclusion of communists in his government had demolished the "the Americans won't like it" argument. The real reason why the other parties kept the PCI out of the government was that the latter was both more honest and more efficient than they. Pajetta spoke contemptuously of the initial reactions of some other party spokesmen, particularly Longo. He did not deign to mention Craxi by name, but had him clearly in mind when he said that the PCI would not be content to sit and be lectured about the need for it to "change". He recalled the relative position of the PSI and the PCI at the end of the war and contrasted this with their present voting strengths: how could the PCI have achieved this position if their policies had been all wrong?
- 6. As was to be expected, Pajetta said nothing to suggest the PCI wanted early elections and he was cagey about the impact of the PCI leaders' attitude on thinking at the base: he simply said that all these policies needed wide discussion, not just in Italy but with other fraternal parties. There was no lack of such contacts. He himself had that day received the Libyan Ambassador and a communist delegation from El Salvador. He would be off today to Bucharest, where he expected to meet Ceaucescau. He would also like to visit the UK, in order to talk not just to the

British communist party but to the Labour party (he had been an observer at the Farty Conference two years ago). He did not seem particularly well informed about the SDP/Liberal alliance. There was a sympathetic reference to Northern Ireland. He hoped we could meet again.

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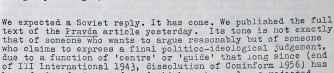
M K O Simpson-Orlebar

1 February 1982

OUR POSITION EMERGES FROM THE FACTS.

Unità, 26 January 1982.

(s.\_ghtly abridged)



The article makes peremptory statements and deductions - every criticism of Soviet policy is 'sacrilegious' and equals 'anti-Sovietism', and 'anti-Sovietism' means an alliance with 'imperialism'. We want to start from facts and to make judgements based on facts..

been declared at an end, and which we have always rejected ...

We shall probably follow up this reply by others. We shall publish in full everything the Soviet comrades write about us. Unfortunately they have not done likewise: Soviet citizens know what CPSU says about our documents but are not familiar with these documents...

It is striking that the 'Polish events' only appear in the Soviet article as a pretext for accusations against Italian communists and are otherwise never mentioned. It is completely false to say that PCI leaders showed 'sympathy for right-wing extremists in Solidarnosc'. On the contrary, as everyone knows, we constantly denounced the harm and serious danger of conservative dogmatic action and of extremist action.

But the basic fact, powerful and macroscopic, is that millions of workers joined Solidarnosc, in fact the overwhelming majority of the working class. How can all these be termed counter-revolutionaries? The workers and the majority of the people are the only force that can make socialist power legitimate in Poland...The PCI is on the side of the workers, for a socialist society founded on their initiative and participation.

It is our national and international duty to be always on the side of socialism, defending its class basis, its ideals, its prestige. It is not we who oppose the interests of socialism, but those responsible for an economic/political policy that a whole people has rejected...

We are convinced that the Polish crisis is so profound that it requires an equally profound and courageous change and renewal. Pluralism will take different forms in different countries, varying with national traditions and realities, but in every case only appropriate forms of democracy will permit the expression of different social, economic, religious, cultural, political, trade union needs...

We have never denied the negative role played by the Polish of mists - but why were they not politically isolated? Why did they have such a large following among the Polish working class? The basic problem was that the model could not be questioned: symptomatic was the insistence that the new trade union statute had to include the statement that the party held its dominant role in the union - a highly arguable statement and certainly not likely to increase the prestige of the party among the workers.

The need for renewal was recognised by the POUP central committee, but in fact all the elements of change were re-absorbed by the party and any real change was prevented. Internal conservatism, external pressure by the Soviet Union and other Warsaw Pact countries, contributed to this...

Completely unfounded - built up from arbitrary and twisted extracts from our texts - is the accusation that we ignored the historic conquests of the Russian Revolution and the conquests of socialism. All our documents, including the most recent, contain a clear recognition of these events. With the October Revolution began the process of building new forms of society not based on capitalism, a large part of the world escaped from the logic of capitalism - seeking maximum profit as the final aim and supreme economic force - and from imperialist exploitation of colonial proples.

We are not unaware of the posttive aspects of society in the countries of socialist trend. The Soviet Union made a decisive contribution to the war against Fascism and to the victory over Nazi/Fascism. But the structure of the world has changed. Imperialism is no longer a dominant force, can no longer do whatever it wants. In the atomic era, the preservation of peace is not merely a supreme good, it is an absolute necessity to avoid the suicide of humanity...New and original roads to socialism have been created, which, in our view, can and must be peaceful and democratic...

But what causes the crises that periodically explode in one or other of the countries of socialist trend? When we read the Pravda article about the 'rich, dynamic life of real socialism..' we remember what Togliatti wrote, in his Yalta Memorandum about the 'difficulties, contradictions, new problems..etc.' and that the worst thing would be to give the impression that everything was fine and then suddenly find ourselves facing a difficult situation and having to explain it..etc..And when he wrote this (1964) there had not yet been the crises of Czechoslovakia (1968) or Poland (1970,1976,1980) - but there had been Khrushchev's secret speech to the CPSU XX Congress and his pitiless criticism at the XXII Congress...

When we ask questions and criticise realities or condemn serious acts performed by the Soviet Union or another socialist country, (military invasion of Czechoslovakia, of Afghanistan) our criticism is rejected without the slightest analysis of the facts and is treated as 'denigratory' and 'offensive'. Then, when a

crisis like the Polish crisis suddenly explodes, it is revealed the everything had gone wrong, that the development and investment plans were all wrong, that there were serious social inequalities and scandalous situations of privilege, even of corruption, in the party, and the Poles themselves change nearly all their leaders and - we find this disconcerting - expel Gierek from the party, put him in prison, bring him to court. Do these facts not do harm to the cause of socialism?...

Is not this type of behaviour - substituting exalted propaganda for reality, with in some cases a return to the method of the 'personality cult' - that which generates scepticism and discredit, keeps the workers away from the party, lowers moral tension and political activity, and has a negative effect on productivity? Truth is inseparable from revolutionary tension.

We return to the question that cannot be eluded - what causes the crises that periodically explode in this or that country of socialist direction? Are they always caused by imperialism or by counter-revolutionary plots exploiting mistakes, etc.etc. (These things exist, we know it only too well, but if we have a crisis we have to find the reason in ourselves)..

When we talk of the unbreakable link between democracy and socialism, we do not propose our model to other countries with different historical and traditional experiences. We fight to get ahead on our own road. But in however many different shapes they may take, democracy and socialism must go forward together. /Another long quotation from Togliatti's Yalta Memorandum, about delays and resistance to change in the Soviet Union, etc.

25 years after the XX Congress
There has been no progress on this road, everything has ground
to a halt, it appears to us there has actually been involution.
We are convinced that if the communist party, in these countries,
put itself at the head of a reforming movement, the crises could
be avoided... The Pravda article cites many figures of members
of committees, etc. We should like to know in which party or
trade union assembly, in which soviet - apert from discussion
and criticism of practical, organisational problems - can a
dissenting communist, a dissenting citizen, express his dissent
and where this will receive publicity?

It is a long time since we saw any effective critical research or reflection on something that doesn't work well, on the causes of crises in relations with other countries/communist parties. What has caused the most serious of all these crises - the contrast with China? We did not hesitate to reject what we thought were wrong positions taken up by the Chinese, but we are convinced that not all the wrong was, or is, on one side only. It would be of the greatest value if both sides reopened the dialogue, overcame the disagreements, with reciprocal respect for non-interference and mutual security, and so to detente and peace...

Although 25 years have passed since the CPSU XX Congress, the hose which it raised have not been realised in practical political terms, neither inside the Soviet Union nor in its relations to other countries. We take this into account, and we have constantly stated this in all our documents and talks.

Our autonomous judgement cannot do less than take into account the concrete actions of Soviet foreign policy. If we gave up our autonomy of judgement, we should deny our responsibility to Italian workers. The defence of peace is paramount. There cannot be peace without respect for the independence of peoples. Therefore we have always supported efforts made by the Soviet government towards negotiations on disarmament, and so on.

We dont just fight with words
We cannot support the Soviet Union in matters that go clean
against these objectives, such as armed intervention in Czechoslovakia and in Afghanistan. These actions met our resolute
opposition. A different attitude would not be understood by
the grandiose peace movement that has been impetuously growing
in Europe in recent months and in which we play an active part.
This movement energetically opposes the armaments race but also
defends the right of every people to select their own road to
peace: it has received a serious blow from recent events in
Poland. For our part, we shall continue to give the movement
our fullest support; we are convinced that the rigid opposition
of military/ideological blocs in Europe must be overcome.

We repeat: if we had given in to the pressurising of CPSU leaders to attend the Paris conference of European CPs (April 1980), which aimed to start a European peace movement, we should have approved of a meeting that, owing to its very unilateral composition, could not lead to any mass movement (as experience showed), and should have remained isolated from the powerful movement that has been shaking West European countries...

The Pravda article gives a picture of our foreign policy that is false and is a calumny. The division of Europe into two blocs is a fact: our objective is to overcome this This means détente, disarmament, a reciprocal initiative to renew the East-West dialogue, negotiations on arms reduction. That is our line: we proposed a 'moratorium' on medium-range missiles oin December 1979. We are not merely combative in words: we do not support proposals we consider mistaken; but we are a considerable political force in Italy and in Europe and we can make an effective contribution to détente, etc. Slightly different from 'hoping to soften up NATO'...

We firmly support a strategy of peace that will save humanity and is the basis of the fight for socialism. We have always approved the Soviet Union when it followed this line; we are in favour of dialogue and negotiation between USSR and USA; but when the Soviet Union goes in for military intervention in other countries, pressurising the non-aligned movement, we promptly and openly show our disagreement. Now, who is

giong an alibi to imperialism? He who criticises acts that do not respect the independence and sovereignty of every people and every state, or he who performs these acts that are in patent contrast with the strategy of peace?

The PCI has always made the fight against imperialism one of its main policies, with mass demonstrations, parliamentary and political activity, solidarity, when the victims of imperialist action were USSR, China, Algeria, Vietnam, Cuba, Angola, Nozambique, and today Salvador, Nicaragua, Guatamala, Chile, Argentina, Paraguay, the fight against racism in South Africa and for the independence of Namibia, against dictatorship in Turkey, and for the rights of the Palestinian people we do not boast about this: it seems to us quite natural...

And because we have always fought and go on fighting, in the name of these our principles, we have taken our stand on Polish events. The principles of independence and sovereignty of peoples must not be merely words but facts, part of the inalienable heritage of the socialist movement...

Pravda positively caricatures PCI policy when it accuses us of being 'anti-Soviet' and of using the expressions of the 'enemies of socialism'... We do not fix denigratory labels on anyone; equally, we will not allow such methods to be used against us...

Our criticism and analysis of socialist society are presented as 'passage into the camp of the forces fighting socialism'. This operation considers the world as a rigid division into two camps, between which one must choose, accepting or rejecting one or the other, in toto. This conception does not fit the modern world, with its different forces, movements, peoples, social classes, developing countries sincerely aiming at socialism but refusing to be caged in such an over-simplified contrast; to say nothing of the non-aligned movement, which is a marked reality in the modern world. This manichean vision considers any criticism, even an autonomous analysis, as a hostile act, asserting that he who is not with us is against us. This has already done considerable harm to the cause of socialism..

The very conception of a single 'real socialism' must be firmly rejected. What is being claimed is always a political and ideological 'orthodoxy' proclaimed from the pulpit, which has ended by transforming the lessons of scientific socialism (especially those of Marx and Lenin) from live instruments of analysis and knowledge into a dogmatic ideological system, returning to the 'guide state' and the mentality and will to supremacy.

In fact we find ourselves facing the wish to rebuild around the CPSU a single centre of world control of communist parties and liberation movements. The language of the <u>Pravda</u> article shows this - intolerant, peremptory, full of statements with no basis in fact or reasoned argument..

It seems strange to us that CPSU leadership has learnt nothing from the numerous serious facts and ruptures of the past (Yugoslavia, China) that did so much harm, not only to the cause of socialism but also to the Soviet Union itself.