

Eyewitness Report

Italy Coup Plotted At Washington Conference

WASHINGTON, D.C., April 7 (IPS) — Top ruling-class leaders met behind closed doors yesterday at Georgetown University's Center of Strategic and International Studies think-tank to weigh the feasibility of a military coup in Italy. Over 150 top military and intelligence agency personnel, political figures, and corporate executives gathered at the by-invitation-only conference, titled "The Political Stability of Italy," to be told that the Atlanticists have few policies left to prevent a working-class upsurge in Italy and that U.S. policy makers must be prepared for a Chile-style bloodbath in Italy. Representatives from every major U.S. press outlet were invited, not as it turns out, to report on the insiders' planning session, but to receive their own marching orders on how European events must be "interpreted" for their readers.

Fortunately for U.S. and European workers, IPS has received this eyewitness account of the conference from one of the participants.

The meeting was pulled together by Ray Cline, former deputy director of the CIA and the Center's Director of Studies, and David Abshire, chairman of the Center and the man who runs Radio Free Europe. Among those present at Georgetown's International Club were almost the entire membership of the President's Foreign Intelligence Advisory Board, including Willaim Casey, Clare Boothe Luce, John Connally, Leo Cherne, and Robert Murphy (one of the coordinators of the 1958 U.S. invasion of Lebanon), International AFL-CIO vice-president Joseph Keenan, heads of the Seven Sisters oil companies, Assistant Secretary of the Treasury Gerald Parsky, Former Supreme Allied Commander in Europe Gen. Lyman Lemnitzer, and former Joint Chiefs of Staff chairman Admiral Thomas Moorer.

AFTERNOON SESSION:**"AN ARGENTINA SOLUTION FOR ITALY?"**

After much handshaking and back-slapping, the carefully chosen guests settled into their chairs to hear former Texas Governor John Connally open the meeting with the warning that American policy-makers had to rally for the fight before them. "It is my belief that we have entered an extremely dangerous period of history," he said, "comparable to the decade prior to the Second World War. The expansionism of our adversaries should be as obvious as the aggressive new order of Germany and Japan four decades ago. I am concerned that we doubt our capacity to lead — that we have wearied of the burden, just as the British grew weary, and that we are willing to settle for less responsibility at the very time our adversaries want more."

The audience rustled nervously as Connally introduced the next speaker, former CIA Director William Colby. Colby got right to the heart of the question before the meeting: whether the leadership of the Communist Party of Italy can actually control its working-class base and carry through the brutal austerity necessary to maintain Italy's payment on Wall Street's debts. "To simply say that the Communist Party of Italy can actually control its working-class base and carry through the brutal austerity necessary to maintain Italy's

payment on Wall Street's debts. "To simply say that the Communist Party is in good faith puts the question onto the good faith of the Communist leaders, who say they will take certain actions," he began. "But leaders are changeable. The Communist Party has a mass base, 1.5 million members, and they are more aware of their base than they are of ideology. The historic compromise is for a period of economic well-being. But in good times the Italian Communists are more Italian, in bad times they are more communist. The emphasis will be determined by outside situations, not the Communist leadership."

Admiral Horatio Rivero, former Commander of Allied Forces in Southern Europe, followed Colby with a detailed analysis of how U.S. security would be endangered by Communist participation in the Italian government. "Accession to power by the Communists would mean the neutralization of Italy and eviction of NATO bases," he predicted.

The audience was silent. No questions were raised. Connally introduced the last speaker, "free-lance" Italian-based reporter Claire Sterling, fresh off the plane from Italy. "Communist power, why do we say we don't like it?" she said. Pointing at her listeners and raising her voice she declared, "The U.S. has allowed the ruling party of Italy to believe that it would always be rescued by the U.S., despite their failure. There is an \$18 billion Italian debt and not one of the leaders doubt that the U.S., Germany, and the Common Market will bail out Italy yearly, even if it amounts to \$20 billion yearly. I don't believe that the gnomes of Switzerland would agree, or even American bankers. It is a question of the bankers not doing it unless they see that the money will be used to restructure the economy."

"She has a very sensuous understanding of the situation," one think-tanker was overheard mumbling.

Agitated, repeatedly looking over at Ray Cline for approval, Sterling proclaimed that massive austerity must be imposed on the Italian working class. "Even now, at one minute to midnight, the Italian government leaders think of patching a spot of blood instead of total restructuring. The U.S. is to blame for not forcing a change of Italian government attitude." Groans of incredulity rose from the audience. "There is no way we can stop the Communist Party from entering the government politically," Sterling emphasized.

"They Can't Deliver"

Several corporate executives sitting at a table near Sterling nervously began to sip their glasses of water. Looking directly at them Sterling warned, "The Italian Communist Party has not allowed for changes for the Italian economy to regain the vigor of the 1960's. It is not all their fault. In the hot autumn of 1969, when the workers demonstrated, the situation was deeper than France in May 1968. The Communist Party is riding the tail of the working class. They are not leading."

She continued, "The wildcat strikes in 1969 far exceeded the demands of the unions. It hit the public sector first and

then turned into general strikes. The government was in panic. They would say to their negotiators, 'settle, settle for anything!' Labor got higher settlements than any economists, including Communist economists, would agree was good for the economy."

All nervous mumbling stopped, as Sterling's animated warnings took their effect. Watching Ray Cline nod in happy agreement, Sterling went into high gear and railed that drastic economic measures had to be taken. "The statute of workers came from 1969. It allows for unlimited absenteeism. It has to be suspended until the restructuring of the economy takes place, until productivity is increased. Also the Communist Party refused to touch — even one week ago — the Scala Mobile, the statute that increases salaries yearly according to a cost of living increase, despite the economy. It shows that the Communists' ability to cooperate can be overrated.

"I have met the Communist leaders extensively, and they are contemptuous of the Soviets. La Malfa, the head of the Republican Party, told me he would not find it charming to live under Soviet rule. (Communist Party Secretariat member) Pajetta said, 'Frankly I wouldn't find it charming either.' (Party foreign affairs chief) Segre and (Party General Secretary) Berlinguer would say the same. But they are under a situation that is not predictable. Berlinguer, who I believe is a genuine gentleman, has been called Signor Il Duce by *The Economist* (Britain's leading financial magazine), and if he could manage it would make Italy as free as possible, but as he told one journalist, he can give no guarantees.

"The dangers of the Communists entering the government is that for them to share power, responsibility, to cope with the economic situation, they would have to muzzle the working class. They would have to use the whip. There would have to be a wage freeze. Absenteeism, if not justified, would have to be punishable by jail.

"The Italian working class is the most militant working class in the world. They have the desire to truly destroy capitalism, which is not what the Communist leaders want. Can the Communists risk imposing bourgeois-conceived economic solutions, worker sacrifices, under the risk that when in the government — which is inevitable — they will have no interlocutor? The Communist Party has to have an interlocutor to hold back the working class, to say to the workers 'we can only go so far because the Christian Democrats will only let us do so. I'm afraid it's too late to recreate that interlocutor.'"

The audience was visibly shaken. Cline, grinning, nodded for Sterling to continue.

What Is To Be Done?

"The new Christian Democratic Interior Minister has endorsed a law which the Communists and Socialists have been fighting for, to demilitarize the carabinieri and military forces, to allow for the unionization of the army. Who could blame the Italians in the forces for joining the Communist Party? The safety net that I thought was there, the carabinieri and military, is disappearing. And give them a year and it will disappear."

Claire Sterling's ominous warnings had the desired effect. Jack Valenti, one of President Johnson's closest advisors, jumped up with the first question, declaring that he could listen to Sterling forever. "Are you suggesting that the leadership of the non-Communist parties are incapable of governing?"

"I'm sorry to say there is no evidence that they are aware of the situation," Sterling fired back.

Tom Corcoran, a noted Washington lawyer, leaped to his feet to ask what was clearly the question on everyone's mind: "Are you saying that the Italian people are so undisciplined that there will have to be an Argentine solution for Italy?"

Now that their point had hit home, Sterling and Colby replied by warning the conference audience of the possible dangers of such a course. "A civil war wouldn't work," Sterling said. "The Communists would get arms from Yugoslavia and the Soviets."

"The Communist leadership is frightened of its base and frightened to take power because of its base, because of repudiation by its base," Colby responded. "The Christian-Democrats have great problems, discipline. I believe that you are apt to see not Argentina, not a military coup a la Mussolini, not a left takeover, but an unpleasant struggle rejecting the right as adventurous and dealing with a Communist Party that has to yield some.

"It is a totally unsatisfactory solution," Colby, drawing on his Chile experience, told his by now extremely agitated audience that the U.S. would have to wage a three-front war to destroy communist militarily, economically, and ideologically. The Atlanticist unity that crushed mass working-class motion in the 1940's has to be resurrected, he solemnly stated. "The last time Europe was in trouble, in the 1940's and 1950's, it was faced with a military threat and we took military action and built NATO. The other threat was economic collapse and we met it with the Marshall Plan. We helped Europe recover from the postwar slump. At that time there was a third threat — subversive communist threat through the unions, cultural associations, peace conferences. That was met by a large number of Europeans uniting to do what they could through the Social Democracies, their own trade unions, and with some secret CIA assistance. We won the fight."

The Europeans? Congress?

Will the U.S. have to force European action? demanded Nat Samuels, a former Undersecretary of State who is now with Wall Street's Dreyfus Corporation. Are the Europeans taking action as they did in Portugal or "is Europe in such danger that the U.S. has to take drastic action to prop Europe up? Should the U.S. take the initiative to say to Europe, 'we have to sit down and see what to do?' Even if it is not military, but just in the economic and political sphere — can we do it?"

Narrowing her eyes and deepening her voice, Sterling replied, "Portugal and Italy are very different. (Portugal Communist leader) Cunhal is odious, grabbing, a Stalinist. The Italian communists are incapable of such behavior. Many European Social Democratic leaders are very interested in the evolution of the Italian Communist Party. However the things that (West German Social Democratic Party Chief) Willy Brandt and (West German Foreign Minister and Free Democratic Party leader) Genscher say come out funny, as very strongly in favor of the Communists. Actually they are very opposed and ready for mutual action with other Europeans and the U.S. It's an excellent moment for an Atlantic alliance rescue. As long as (French President) Giscard's around, he and the British and the Belgians could work out together how to do it."

Peter Abbruzzese, staff director of the Senate Foreign Relations Committee, walked dejectedly to the microphone to complain that Congress was in fact incapable of dealing

with such serious international policy decisions. "You did suggest Congressional leadership," he said. "But we only have eight people on our staff. We can only do things like appoint ambassadors, or ratify treaties, not much more." Noting that Congress was likewise powerless to prevent strong U.S. action in Europe, Abbruzzese said hopefully "On Italy, in the past we had similar situations and we did little and good things came out. I'm not sure how much we should do and what we can do without going overboard."

Presidential aspirant Connally beamed broadly. "You made a very salient point," he said, "you're right. Congress can't make foreign policy."

A question from a reporter summed up the sentiment of the afternoon session: "You described the economic restructuring that is necessary and that the Communists would be needed to do this as they are so strong. **But since they can't control their working-class base, won't the safety net you mentioned, the carabinieri and military, be necessary in the short run?**" She was later congratulated by several Georgetown staffers for having "crystallized the problem."

The panelists avoided answering directly, and instead reiterated the need for drastic economic measures. "The restructuring necessary is tying productivity to labor costs, an incomes policy," declared Sterling. Colby attacked the pro-development, anti-Atlantist faction of the Italian Christian Democrats, based in Italy's large state-owned industrial sector, for refusing to allow Italian industry to be dismantled to ensure payment on debt. "The solution is divestiture of the state economy," he said. "But divestiture runs into problems from the Communists but also from the Christian Democrats. The Christian Democrats are the managers of the plants."

THE COCKTAILS AND DINNER

At this point John Connally took the gavel from Ray Cline. Tapping it once he declared the conference adjourned to the bar while dinner was being prepared. Most participants beat a hasty exit.

William Colby, his pupils contracted to ice-pick points, greeted some of his "former" employees, now high-ranking executives and reporters. Colby, who had served the CIA in Vietnam as overseer of the genocidal "Operation Phoenix," told a top Italian reporter, "I remember the good work you did in Saigon."

While Colby was chatting offhandedly about the "bad, very bad" situation in Lebanon, the aged wife of one of the CIA's founding geniuses, Eleanor Dulles hobbled over. Turning her good ear toward Colby, she began to justify the man who dominated CIA activities from the 1940's through Eisenhower. "Allan told me ten times, 20 times, that the Bay of Pigs invasion would fail, that people wouldn't rise up, unless we had a secure beachhead. He was right. It wasn't his fault the invasion failed." Colby, embarrassed, assured her it wasn't. "Allan would turn over in his grave at the idea that he didn't know what the possibilities for that adventure were," he said.

In the Bar

Liquor flowed freely at the bar and a senior vice-president of Exxon, a member of the board of directors, was animatedly discussing corporate scandals with a reporter. "Every corporation is involved in this," he jabbered. "As a matter of

fact one of the people who funneled Lockheed money into the Christian Democrats was a member of the Communist Party. I know personally that Moro wouldn't take a nickel; he is incorruptable, but the problem is these people can't govern."

He remarked that he himself was just back from two weeks in Italy, meeting the Communist Party leaders of Italy's northern cities. He chuckled that they were "all right because they are technocrats, the bureaucrats. But if the Communists got into the government, the Soviets would snuff out these leaders." His face pinched up and squeezing his thumb and middle finger together in illustration, he repeated, "The Soviets would just snuff them out like this."

Italians are undisciplined, he complained. "The real problem, though, is the Scala Mobile."

Was an Argentina solution necessary for Italy? he was asked. Swirling his drink, he thought it over. "**Argentina is used to military coups, they have them regularly. But it is always bloodless, always bloodless. Italy is a different situation.**" At that moment an Amoco executive stumbled over and slapping the Exxon official on the back, loudly slurred out, "Want to buy some oil wells, eh?" The Exxon official sauntered to the bar, while his Amoco counterpart pulled a pretty young woman into the corner to discuss foreign affairs.

In another corner a top government advisor, himself a recent defector from the Soviet Union, desperately tried to convince his drinking partner that his activities were morally justified. "The U.S. should wage a peaceful offensive to defeat the Soviets. But we must be governed by principles. Most young people now don't have any. The U.S. must have a certain morality and fight for that or what good are we." He became incensed at the very idea that the CIA could have been behind the Chile coup. "How could the CIA be behind that?" he protested. "If we don't fight for morals how are we different from anyone else?" By the time he had downed a bottle of wine his own morality was flowing freely. "**We won't need a Chile solution for Italy because there's no extreme left there, he slobbered. "But what's wrong with Chile anyway?"**"

Dinner is Served

The lights dimmed slowly on this scene, signaling that dinner was ready. A member of Georgetown's Center for Strategic Studies, a man who fled Eastern Europe with the help of the Nazis to avoid Soviet justice, complained about the "worker problem" as he walked into the dining room. "Sterling is marvelous, she obviously knows the Italian situation," he enthused. "The problem is that workers have to understand they must accept sacrifices. Britain has the same problem, but the Labor Party there can deal with it. The problem for Italy is that no one can."

Over a "thick steak and "such a nice dessert" he chatted with a reporter seated nearby about the problem with the U.S. press. "There is no good reporting here. You have to rely on the press for information about what is happening and you would never read anything like what Sterling just detailed. I've been trying to figure out the Washington Post's editorial policy. You could actually sell Sterling's presentation to them as a complete story."

The reporter weighted the possibility, concluding "They probably wouldn't want to print such frank statements."

"I see what you mean," the Georgetown expert nodded in agreement.

EVENING SESSION; "HOW DO WE SELL THIS TO U.S. WORKERS?"

When the strawberry mousse had been cleared away, Connally introduced the last speaker, Clare Boothe Luce, widow of publishing baron Henry Luce, who as the right-wing publisher of Time Magazine, was a major force in U.S. politics for decades. The overfed and slightly drunk audience rose to its feet for a standing ovation for America's favorite lady anti-communist.

Luce minced no words. "The United States' East-West policy which detente officially superseded was containment. It was to prevent the ideological and military expansion of totalitarianism into the non-Communist or free world, by peaceful or cold war methods if possible, by hot war if Communist aggression made it necessary. Its success depended on the will of the American people and their leaders to pursue the policy with zeal and fidelity, and to make such sacrifices of blood or treasure as circumstances might require.

"The truth of the matter is that once again there is a vacuum in U.S. foreign policy, which, if it is not soon filled by a policy addressed to International realities, will lead to the isolation of America on the Soviet installment plan. In fact there is now only one open question in Italy, in Europe, in Africa, in Asia and in Latin America: Do the American people, or do they not, have the will to resist Soviet imperialism?"

"I have a hunch that the Italian people are going to postpone the historic compromise until this answer is given by the American people in November."

Sterling pressed Luce's point home. "Could we use solid

American support for Italy, short of military intervention, to turn around the fact that past aid never built a strong enough democracy to prevent a communist takeover?" Nobody was sure.

Colby declared that U.S. policy toward Italy had to be "friendship and all that entails." A Treasury Department representative wanted to be very clear on what friendship meant in the depression. "How do we show friendship," he asked, "by giving loans or demanding that they put their house in order?"

With an icy smile Colby replied, "Like a neighbor who asks to borrow money: assistance is extended with 'reasonable' conditions."

It was ten o'clock. The leaders of American government, military, intelligence, business, and press were tired. Only one question remained. "How are we going to get this down to the people in this country?" someone asked.

"I remember Italy in 1947, it was trembling on the verge of going communist," Luce blared. "The American-Italians pitched in, they wrote to Italy, they visited, saying to their Italian relatives, 'stick with us.' That had enormous effect. It's time for a people-to-people campaign," she exclaimed, her voice rising. John Connally picked up the cue. "There are 22 million Americans of Italian ancestry and they can mobilize Americans. There are 50 million Catholics and they know that communists are against Catholics. The Jews will have to know that the front line of defense for Israel is Italy."

Luce gave the cry for rallying U.S. workers behind a bloody assault on Italian workers. "An awareness that detente is dead has become realized," she intoned. "Nationalism is stirring in the American people."