

## Report from Rome by Galliano M. Speri

### Italy and the economic New Yalta

*The decay of the Mezzogiorno, the depressed South, makes Italy particularly vulnerable to Soviet threats and blandishments.*

**T**he bankers' meeting that took place in Zurich on June 29-30, where leading economists finally admitted what every housewife already knows about the world economic crisis, sounded the alarm for many people. But very few realize yet that in such a crisis, Italy could be coopted into the Russian empire soon, not through the Red Army, but by economic means.

The economic situation is a hot potato. The main subject of discussion among the parties negotiating the forming of a new government, is the fact that the new prime minister, whoever he may be, will have to face a dramatic situation in September, so nobody wants to take the hot potato. Even the former governor of the Bank of Italy, Guido Carli, admits publicly in the pages of the Rome daily *La Repubblica*, that a Great Depression is in the wings.

What makes Italy's situation worse than that of other industrialized countries, is the unemployment problem and the depressed South, the Mezzogiorno. Official statistics state that Italy has an unemployment rate of 11.3%, but if we take into account part-time and youth unemployment, we reach more than twice that percentage. In the Mezzogiorno, official statistics admit the unemployment rate to be a shocking 36%, but if we include also unemployed women, we reach a terrifying 50%!

Moreover, the just-issued report of Svimez, a think-tank devoted to economic studies for the Mezzogior-

no, fails to take into account the decay of infrastructure in the Mezzogiorno, and that the structure of health-care services is about to collapse. This summer, there could easily be a repeat of the cholera epidemic that hit Naples in 1972. Public health officials in Sardinia report one of the highest AIDS figures in Italy, but this does not mean that the situation in the other southern regions is better. It simply means that there are no data available.

Another indicator of economic decline is that 1985 was a record year for a negative birth rate: Only 575,495 babies were born. To give an idea of what that means, during the darkest period of World War II, an average of 800,000 babies was born every year. Only in the South is the birth rate slightly positive—but in the current situation, these new lives will only serve to swell the army of the unemployed.

But the worst danger is that for the last 15 years, there has been a tendency for the Italian economy to orient more and more toward the Mediterranean (Libya) and the Soviet-dominated countries. Libya already owns 15% of Fiat, the largest privately owned industry of Italy, but Libya also has a huge real-estate investment, especially in Sicily.

There is also a definite attempt to narrow the productive potentialities to a few islands of very high technology (robotics, computers, the "information" industry) and to develop a high-quality infrastructure adapted for elite

tourism, on the model implemented in Sardinia by Karim Aga Khan. This is matched by an increase of trade with the Socialist countries. For example, the steel sector, mainly state-owned, is kept alive only by massive exports, under very unfavorable terms, to the Comecon countries.

On June 30, the government announced that it will take part in 13 projects within the "Eureka" plan, the French-authored scheme for high-technology projects explicitly designed to be independent of the United States and the Strategic Defense Initiative; this further confirms that the country is moving away from its traditional Atlantic markets. In order to attend the London meeting on the Eureka project, Foreign Minister Giulio Andreotti canceled all his other diplomatic activities. Andreotti is also the person who is stalling the full participation of Italy in the Strategic Defense Initiative (SDI).

Given Italy's drift into de-industrialization and into the Soviet orbit, Western policy makers must recognize that getting Italy to participate in the SDI is vital, not only to give Italian industry a technological shot in the arm, but also for the politically crucial task of drawing Italy back into the Western community.

This is of course exactly what Moscow's "irregular warfare" in the West seeks to prevent; the terrorists carrying it out are deployed more now on a European, rather than national, scale. When the West German Red Army Faction murdered the SDI-linked industrialist Karl-Heinz Beckurts in Munich on July 9, the crime was signed "Margherita Cagol Comando," in honor of a dead Italian Red Brigader. A bomb at the offices of ENEL, the national electricity utility, in Venice, which just missed causing a massacre, was claimed as an "ecological and anti-nuclear" bomb.