

Report from Rome by Marco Fanini

Italian industry to 'conquer' Russia

Prime Minister De Mita will meet Gorbachov during the "Italy 2000" Fair in Moscow on Oct. 13-25.

The head of the Italian government, Christian Democrat Ciriaco De Mita, arrived in Moscow on Oct. 13 for a meeting with President Gorbachov. As the Soviet news agency Novosti stressed, this is the first Western leader to meet with Gorbachov since the "earthquake" of the reorganizing of the highest levels of the Soviet power structure.

De Mita is accompanied by, besides the powerful foreign minister, Giulio Andreotti, six other ministers, as well as scientists, university directors, and such captains of industry as Gianni Agnelli of Fiat, Raul Gardini of the Ferruzzi group, and Romano Prodi of the state-sector IRI. De Mita will open the Italy 2000 fair, where 264 Italian industries will participate with the aim of "conquering" the Soviet market, which for the moment simply does not exist.

De Mita is also bringing Gorbachov a gift: a low-interest line of credit for some \$500 million. This is not a lot, but the experts say that if all goes well, the figure could grow substantially. The industries in the forefront of trying to open up the Soviet market are machine tools, machinery for woodworking, sewing machines, and machines for treating hides and furs. While in Moscow, De Mita is expected to sign an accord for a joint venture between Italy and the U.S.S.R. to exploit methane gas and build a car-and-truck factory. But Italian producers have asked not to be constrained to take 10-20% of payment-in-kind in Soviet products, thus refusing the infamous Soviet "compensation," since

Soviet products are hard to sell in the West.

The Italian leaders will also discuss with Gorbachov the possibility of cooperation in space, and perhaps the flight of an Italian astronaut on a Soviet space ship. This involves a clear policy choice by Italian government and industry: If Gorbachov needs consumer goods and industrial hardware, Italy is ready to provide them in large quantities. This means that Italian foreign policy, for many years now run by Giulio Andreotti, is oriented toward the East.

Meanwhile, in internal affairs, Italy is preparing for the new Common Market of 1992. In a conference of the Council of Italian-U.S. Relations in Rome Oct. 7, Gianni Agnelli reassured David Rockefeller that the Europe of 1992 would not mean protectionism against America, but on the contrary, that financial restructuring would leave power in the hands of a few groups quite in step with the "New Yalta" policies of the American establishment.

Italy is getting ready for 1992 with sweeping reforms. The De Mita government's first act was to abolish the secret ballot in Parliament for all the most important bills. Next come electoral reform, shrinking the gigantic bureaucracy, then privatization of the post office and most of the state industry holdings.

As for finances, Nerio Nesi, the president of the Banca Nazionale del Lavoro, has proposed to gobble up thousands of minor banks into a few megabanks better able to do the new

business of 1992, such as liberalized capital flows in Europe, buying stocks abroad and vice versa, and opening bank accounts in other nations of Europe. Finally, the creation of "industrial poles" is foreseen, controlled by a few families: for example in the auto sector (now totally in Agnelli's hands); in the chemical sector and agri-chemical (the ENI group along with the Ferruzzi group); electronics (De Benedetti); private television (Berlusconi).

All efforts to industrialize the south will stop, and it will be opened up for private and foreign investment to develop tourism. It seems that the slogan of "tourism for the south" has attracted the "winning mafia" which controls, precisely in the south, an enormous turnover of drug traffic, whose proceeds go to stuff the vaults of the banks in Milan and, not rarely, of the parties and the politicians.

If it were not for some 1 trillion liras (\$733 million) every year directly or indirectly from drug traffic, Italy would not have the financial muscle to operate in many industrial sectors, nor would many cities of the north be able to have a relatively high standard of living.

Italy is the first industrialized nation that has closed all its nuclear plants, and presents itself for the 1992 deadline as a country with islands of industry (auto, electronic, fashion, agro-chemical), in a context dominated by tourism, show business, and free circulation of drugs (in 1992, along with the free flow of capital, the flow of drugs will be liberalized).

This is not exactly what Dante and the fathers of the Renaissance and the Risorgimento had in mind for the future of "Bel Paese," nor are all Italians disposed to tolerate the way things are going. But nonetheless, this is the aim of the Italian government, guided by Ciriaco De Mita.