

Fissures appear in Italian government

by Claudio Celani

At 9:00 on May 18, the first half of the European Cup soccer finale in Athens was over, and Milan A.C. was winning 2 to 0 against Barcelona. Only two minutes later, electronic media broadcast the news that the new Italian government had been approved by the Senate, with a tiny majority of two votes. The connection between the two events is not only by association, since Silvio Berlusconi is both prime minister and owner of the Milan soccer team. Italian politics has become more and more like a spectators' sport, after two years of outside-directed destabilization which wiped out all the traditional parties, and after an electoral reform which favored candidates with "image" and likelihood of success, against those who have ideas.

Thus, a reform that was supposed to bring in "stability" has produced a government composed of three almost totally antagonistic forces: Berlusconi's Forza Italia (Go, Italy), the Northern League, and the National Alliance. Forza Italia and the National Alliance agree on opposing the Northern League's program for a constitutional change in favor of decentralization of the state; but the National Alliance is against the free market economic policy pushed both by Forza Italia and the Northern League. This conflict is going to erupt pretty soon, since issues such as privatization of state-owned industries and constitutional reforms are priorities on the government agenda.

Free-marketeers are on top

Forces centered in the City of London are manipulating this conflict to make sure that the Berlusconi government is just a transitional phase down the road of national deconstruction. Above all, the international financial markets have imposed a radical free market agenda, composed of privatizations and deregulation of the labor market, embellished by a Reaganomics-style tax reduction for small and medium-size industries. In this sense, the Berlusconi program does not differ from the previous austerity program implemented by banker Carlo Azeglio Ciampi, except through proposals of infrastructural investment which sound fantastic on paper, but which nobody knows how to finance.

Ironically, the only forces which are opposing radical free market therapies in the government are represented by the MSI, the party that is heir to the Fascist tradition of Benito Mussolini. MSI leader Gianfranco Fini has taken official

steps to break with that tradition, by embracing democracy and the anti-Fascist Constitution, but international news media, among them the London *Daily Telegraph*, have launched a campaign against "neofascists in the Italian government," which has prevented the MSI from being given key government posts.

Experts also see the danger of the resurfacing of terrorism, as the threat of "fascism," built up by the media, could be used by left-wing extremists as a pretext to organize "anti-fascist" violence. A beginning of that was seen when, on May 14, one hundred skinheads marched on the streets of Vicenza, sporting Nazi symbols and flags, to the delight of the international media. A few days later, left-wing extremists assaulted the local "fascist" (MSI) office. Historically, both "left" and "right" terrorism in Italy have been run by the same forces, connected to the Stay Behind network and to British intelligence. The city of Vicenza is in the heart of the NATO structures where the Stay Behind network is most extensive. In the past, a scenario of "opposed extremisms" has been used as the background to implement political assassinations, as in the case of Prime Minister Aldo Moro in 1978.

With the MSI being kept in quarantine, the economic team of the Berlusconi government is in the hands of free-marketeers. The Treasury minister is Lamberto Dini, a banker who worked first at the International Monetary Fund and then at the Bank of Italy. The budget minister is Gianfranco Pagliarini, a budget analyst from the Northern League who wants the national budget to be checked by "private comptrollers." The finance minister is another technocrat, Giulio Tremonti. The International Monetary Fund has already announced that a package of combined budget cuts and new taxes is needed to fill a hole of 40,000 billion liras (about \$24 billion) in the 1994 budget. That figure could be increased, as part of the hole is due to missing tax revenues, which collapsed in 1993 because of unemployment. But already the first two months of 1994 showed a further decrease of 6-7% in tax income. Moreover, the state had to pay more than planned in social entitlements, such as unemployment benefits and pensions.

Foreign policy: a British foothold

More worrying than the presence of MSI ministers in the government is, however, the fact that the Foreign Ministry was assigned to Antonio Martino, a member of Berlusconi's Forza Italia. An economist from the "Chicago School," Martino is the only Italian member of Margaret Thatcher's anti-European Bruges Club. A foreign policy insider, Lucio Caracciolo, predicts that Italian foreign policy will shift more heavily against the French-German axis in Europe. Martino's first steps seem to confirm this analysis, as the new Italian foreign minister paid his first visit abroad to the British Foreign Office, to receive from Douglas Hurd the official stamp of "democracy." The British plan is to involve Italy in the Balkan conflict by having troops sent there as part of the U.N.

contingent. Italian blue helmets would be seen as neutral by no party in the Bosnian conflict, for historical reasons. Thus, British-supported official U.N. requests were left unanswered by the previous government. But now, Martino has given a positive answer, although on the condition that Bosnians, Croatians, and Serbians sign an official peace treaty.

Martino has no diplomatic or political experience. His foreign policy is supposedly suggested by his cousin, Ferdinando Salleo di Sagra, a former ambassador who is now general secretary of the Foreign Ministry. In a recent interview with the geopolitical magazine *Limes*, Salleo supported the idea of full integration of Russia into western financial structures, and praised the results of Harvard flea-market economist Jeffrey Sachs's shock therapy in Poland. Both Martino and Salleo are Sicilian, from Messina. Martino's father Gaetano, who was a foreign minister in the '50s, is the person who sabotaged the attempt by Italian patriot Enrico Mattei and President Giovanni Gronchi to establish an anti-imperialist alliance in the Mediterranean with U.S. President Dwight Eisenhower in 1956. After Eisenhower's intervention against the Anglo-French colonial expedition at Suez, Gronchi wrote him a letter, at Mattei's suggestion. Martino prevented that letter from ever being sent. Years later, Mattei was killed in a plane crash, on orders from the U.S. oil multinationals. Martino senior was a member of the famous Propaganda-2 (P-2) freemasonic lodge. His son could not become a member because when he applied, in 1981, Italian authorities discovered the lodge and disbanded it.

Prime Minister Berlusconi, however, applied and received a membership card. Later, he explained that he had joined the lodge because it opened the way for him to business deals in Latin America. The fact is, that in the past, Berlusconi, like most representatives of Italy's anti-communist establishment, made deals with power centers directly steered by the Scottish Rite of British Freemasonry. This makes him quite vulnerable to blackmail and destabilization. One example is Berlusconi's unsuccessful attempt to prevent the key Interior Ministry, which has control of police, secret services, and administrative centers (the Prefetti), from going to a Northern League representative. The League candidate, Roberto Maroni, was supported by the great protector of the P-2, former President Francesco Cossiga. Cossiga, who was consulted twice by Berlusconi and in between flew to London and back, sabotaged Berlusconi's attempt to appoint star prosecutor Antonio Di Pietro, and won his fight. Now that the Northern League controls police and secret service dossiers, they will use them not only against the opposition, but also against their government allies, as they have promised.

Another problem for Berlusconi is that the opposition will not play fair. Milan prosecutors have already opened an investigation into his business empire, and rumors that he would be subject to investigation for corruption on May 25 provoked a run on the lira and a collapse in the stock exchange. Berlusconi's plans to prevent his own impeachment

Parlato calls for tax on derivatives

Antonio Parlato, the newly appointed deputy minister for the budget in the new Berlusconi cabinet, declared that the first thing he will discuss with Budget Minister Giancarlo Pagliarini is a tax on financial derivatives, according to the daily *Corriere della Sera* of May 15. "What will I tell Pagliarini? I will pose the Soros case. Yes, George Soros, the Quantum Fund financier," he said.

Recently, *Corriere* reports, investment products such as derivative instruments have been introduced on the Italian market—i.e., specialized funds for speculation against currencies. "It is Soros and his stepsons who gamble by investing thousands of billions, thus influencing monetary trends," says Parlato, who will propose two urgent measures: "First of all, we have to regulate derivative finance. Put some limits to such operations. And then introduce a severe taxation of these fortunes, which are subtracting resources from the real economy. And only the right wing can do this. The left is working with international finance. Do you know who [Party of the Democratic Left leader] Napolitano went to meet in the U.S.A. before the elections? None other than George Soros."

Parlato is an MSI member of Parliament who was the first to raise in the Italian Parliament the issue of the infamous meeting of bankers aboard the royal yacht *Britannia*, quoting from *EIR*, back in the spring of 1993. Since then, he has repeatedly exposed "the plot against the Italian national economy." In that same year, Parlato filed a Parliamentary Interrogation on the case of Lyndon LaRouche, who was then in jail on trumped-up charges.

are known: a reform to put the judiciary under political control. But he is running against time. Furthermore, on July 5, his government ally Umberto Bossi, leader of Northern League is scheduled to go to trial, together with leaders of all parties that have ruled Italy for 40 years, accused of "corruption."

Berlusconi is looking for support among Catholics. He has announced an anti-malthusian policy, and appointed a Family Minister who is opposed to abortion and eugenics. He has met the pope and promised collaboration with the Catholic Church, "because the values of Christian tradition and culture belong to us."