

## **EIR**SpecialReport

# Italy's future: Socialist coup or Gaullist republic

by Muriel Mirak

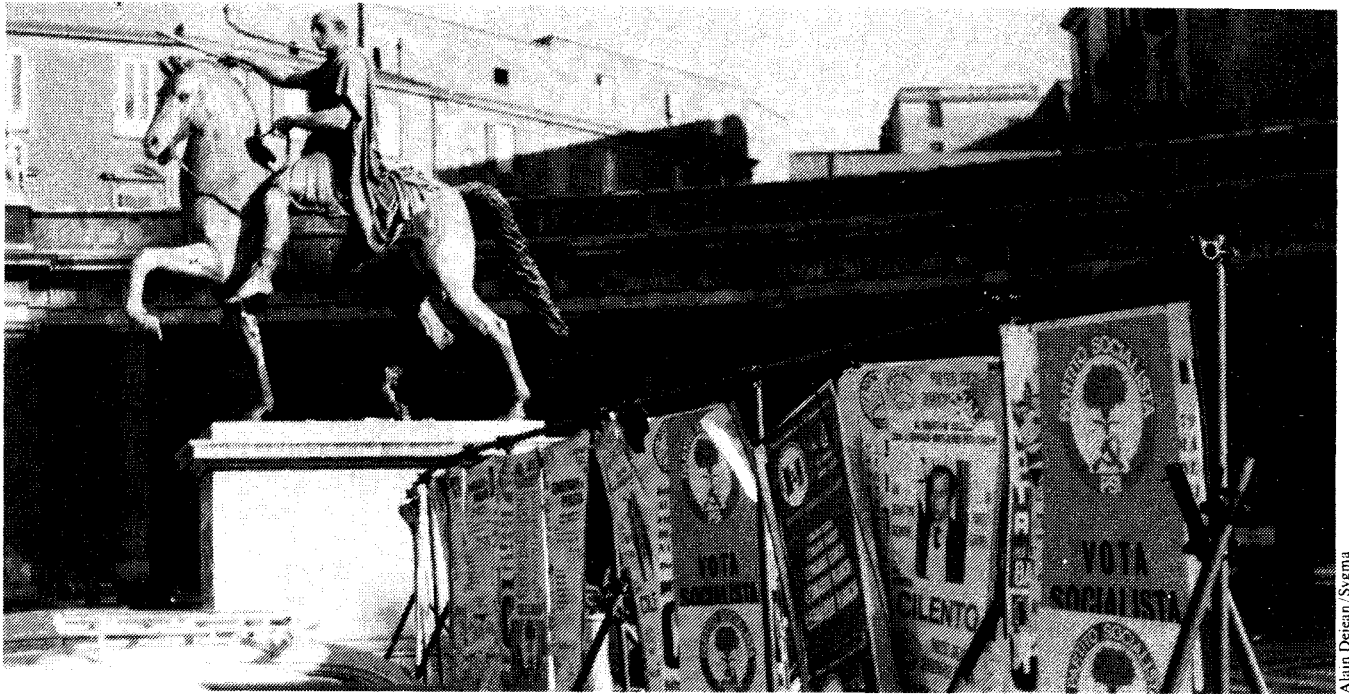
“Italy? Why that’s not a country, it’s a casualty. They change governments there every Saturday night whether they need to or not. That’s the way it’s always been and that’s the way it will always be. It’s the national character. It’s what makes Italy tick.”

This, in the words of an otherwise perceptive political analyst in New York, is the sentiment that has been echoing throughout political caucuses, parliamentary meeting rooms and press halls the world over. And the facts of the matter, over the past months, have seemed to fill out the picture. Increasingly since summer, Italy has been strapped with new, seemingly intolerable burdens to add to her secular woes. Double-digit inflation placed the country on a par with Latin America’s most crisis-wracked economies, scandalmongering and political terrorism combined to make a mockery of parliamentary democracy and, as the winter cold of late November set in, it seemed that the wrath of God itself had been unleashed as vast stretches of the country’s depressed south were ravaged by earthquakes.

Italy and its people seemed to be a hapless ship tossed about pitilessly on tempestuous seas, always about to go under yet always, somehow (miraculously?) reappearing on the horizon. Thus it has seemed to many that the tragicomedy called Italian politics was destined to continue into eternity, never knowing stability, yet never really being engulfed by disaster.

Such facile clichés aside, the truth about Italy is otherwise. That country, Europe’s oldest and, in many respects, greatest modern culture, finds itself at history’s crossroads. One road leads to a Latin American-style military coup, which would topple the pillars of Western European stability, Valéry Giscard d’Estaing and Helmut Schmidt, as if they were pieces of china poised on a vigorously pulled tablecloth. The other road leads to a new republican order heralding an era of economic stability and cultural renaissance for the continent as a whole.

Which road Italy embarks on will be determined by the outcome of the unprecedented political fight reaching its climax in the country at present.



*Naples during June's election campaign.*

Alain Dejean/Sigma

But what that outcome is depends in large part on the policy initiatives the incoming Reagan administration and its ambassador in Rome will undertake toward its strategic Mediterranean ally. That is why it is so important for Washington to understand more deeply "what makes Italy tick."

The fundamental fact of Italian political life is the factional struggle, dating back for millennia, between the country's productive workforce and business, on the one hand, and its parasitical nobility, anchored to feudal landholdings and the financial empires they support.

As Dante Alighieri knew six centuries back when these two opposing fronts appeared in the form of the White Guelphs and Ghibellines against the evil Black Guelph nobility, room does not exist for both factions. Either the forward-looking capitalist alliance of business and labor reorganizes the nation's economy and social structures to ensure progress, at the expense of the parasitical financial power of the oligarchy, or that parasitical power will sap Italy's energies.

The successions of political crises and newly formed government coalitions in recent history can be understood only in the light of this fundamental factional distinction. In today's Italian political spectrum, the dividing line often runs down the middle of single political parties. But, more broadly, the progressive industrial-labor alliance takes the form of the so-called Historical Compromise of the majority Christian Democratic party (DC), under Giulio Andreotti's factional leadership, and the Enrico Berlinguer wing of the Italian Communist Party (PCI). The enemy faction of landed aristocrats and

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bankers is grouped around the Venetian black nobility and its spokesmen in Bettino Craxi's Italian Socialist Party (PSI), flanked by the so-called Preamble wing of the DC led by Amintore Fanfani. A cluster of "lay" parties, ranging from the Republicans to the Liberals and the Social Democrats, huddles around the Craxi-Fanfani axis in the manner of lapdogs adorning official portraits of dukes and ladies.

The last time Italy had a stable government was in the 1976-1979 period, when Giulio Andreotti led a coalition that in the spring of 1978 brought the PCI into the majority for the first time since World War II. That experiment was carried out successfully, despite the most violent opposition unleashed through terrorist acts. Former DC President Aldo Moro, who personally symbolized the DC-PCI agreement, paid for it with his life at the hands of the Red Brigades. When the coalition was shattered in late 1979, the succession of Craxi/Fanfani-controlled governments rapidly eroded the country's economy and institutions, bringing it to its knees today.

Typical of such wreckage were the two governments headed up by Francesco Cossiga, the Christian Democrat who, as interior minister, had been responsible for letting Aldo Moro's assassins wreak havoc. Cossiga's governments of 1979 and 1980 reversed every positive thrust of the preceding Andreotti regimes; where the Vatican-backed Andreotti had privileged programmatic cooperation with Giscard and Schmidt around the nascent European Monetary System, Cossiga allied with the recalcitrant British in efforts to sabotage the EMS. Where Andreotti opened new markets for Italy in the Middle East and Eastern Europe in the framework of a European effort at a Middle East settlement and consolidation of détente, Cossiga all but cut off relations with the Saudis, allied with the lunatic, terrorist regime of Qaddafi, turned over Italy's military to Carter's Rapid Deployment Force for anti-Arab adventures, and cut off trade credits to the East. Where Andreotti promoted massive U.S. investments in southern Italy, particularly in the framework of rapid nuclear energy development, Cossiga backed the antinuclear environmentalists and told American businessmen to go home.

But Cossiga, a man whose political credibility had been ripped to pieces during the Moro affair, was only a puppet prime minister. The real power behind his governments, especially his second coalition, was the PSI, the party most homogeneously dedicated to the deindustrialization and military adventurism he carried out. The man PSI boss Bettino Craxi coordinated his policies with on a weekly basis was Richard Gardner, the Carter administration's ambassador in Rome.

Internally, what made Cossiga's reigns possible, was a factional deadlock inside the majority DC. In the party's March 1980 congress, the Andreotti faction (allied with party secretary Benigno Zaccagnini) took a principled

stand against the Black Guelph right wing headed by Fanfani, Toni Bisaglia and Carlo Donat Cattin. The issue was whether the party could or should allow a Moro-style government with the PCI to be repeated, as Andreotti urged, or whether such agreements on issues must be forbidden with the giant Communist Party. The DC right wing captured party president Flaminio Piccoli in a net rejection of the PCI, spelled out in a "preamble" to that effect which came to be the nickname of the faction thereafter. Andreotti's position, as leader of a strong 42 percent minority willing to open a dialogue with the Communists, was intransigent: until the party came around to his viewpoint he would not support any other coalition. His aim, in part, was to let the preamble lead the DC to disaster, then step in to pick up the pieces and shape future "historical compromise" attempts. For its part, the PCI maintained a principled opposition stance to the "preamble" and the governments that it might pull together.

### **The end of the preamble**

When the PCI finally organized mass protests against the Cossiga-Craxi operation that was sinking Italy's economy, the Preamble grouping, its allies around Craxi, and the very possibility of such a parliamentary coalition were thrown into terminal danger. It is that process, taking place against the backdrop of the weak Forlani cabinet (a transitional, compromise solution), that adequately defines the shifting balance of the political fight in Italy since the summer of 1980.

First, the preamble, which had been the main obstacle to Andreotti's plans within his own party, has been torn to shreds. The vitriolic anticommunist Preamble leader Donat Cattin was forced in early fall to resign as DC vice-secretary under suspicion of having aided and abetted his Prima Linea terrorist son Marco to escape justice. Then, Preamble leader Toni Bisaglia was forced to resign from the industry ministry in early December for his involvement in the black-market Libyan oil scandal that convulsed the country in November. Another staunch anticommunist of their wing, Massimo DeCarolis, was divested both of his parliamentary seat and his DC party membership after having publicly drawn Aldo Moro's name into the mud of the oil dealings.

All these developments testified to Andreotti's gaining a hold over the DC party machine. Former Prime Minister Andreotti intended to occupy the DC presidency (left vacant when President Forlani became prime minister) at the party's December national leadership meeting. Although the vote was postponed, Andreotti scored a significant victory when the leadership voted to endorse "historical compromises" with the PCI on a regional basis in at least five areas. This was in effect tearing up the preamble and opening the door to

# The PSI's Bettino Craxi: a profile

Bettino Craxi, the man whom the *Washington Star* recently reported "is on his way to the prime minister's office," has been general secretary of the Italian Socialist Party (PSI) since July 1976. He was installed there following Jimmy Carter's electoral victory in the United States, and has been kept there since by the combined efforts of U.S. Ambassador Richard Gardner and Henry Kissinger. The PSI is a party increasingly known as a major supporter of terrorism, drugs, and the deindustrialization of Italy.

Craxi takes his orders from U.S. Ambassador Richard Gardner, a close friend of Zbigniew Brzezinski and Kissinger, and Gardner's wife, Danielle Luzzatto. The Luzzatti have been an important part of the so-called Venetian black nobility, whose families have run a huge financial empire for 1,500 years with power based on the deployment of dirty tricks operations and terrorism against their enemies. Some of the most important families in this Venetian oligarchy have been the Luzzatti, and the Loredani.

Gino Luzzatto, the father of Danielle Luzzatto, was an important member of the Action Party, which, immediately following World War II, was used to ensure that Italy remained economically and politically tied to Britain, by carrying out a "cold coup" against the Christian Democrats and the Italian Communist Party (PCI) nationalists, to prevent them from taking power after the fall of Mussolini's Fascist government. The Luzzatti are also intermarried with the Agnelli family, owners of FIAT.

Two members of another Venetian family, the Loredani, based in Padua, helped found both the Red Brigades left-wing terrorists, and the Ordine Nero (Black Order) right-wing terrorists, whose 1969 Piazza Fontana bombings nearly resulted in a right-wing military coup.

Craxi himself has been one of the major advocates of "negotiations" with the Red Brigades terrorists, both during the 1978 kidnap-murder of former Prime Minister Aldo Moro, and again in the recent kidnaping of Judge Giovanni D'Urso. Other leaders of the PSI, such as Giacomo Mancini, have been investigated both for their links to the Mafia and to the Red Brigades; and Craxi himself was the subject of a parliamentary inquiry on his involvement in the Moro case. Craxi has defended convicted terrorists Toni Negri and Franco Piperno, both convicted on charges stemming from their participation in the Moro kid-

napping.

Alongside this has been the PSI's support for drug legalization, a project undertaken together with the Yippie-like Radical Party of avowed homosexual Marco Pannella. The Socialist minister of health, Aldo Aniasi, authored a plan in June 1980 to decriminalize marijuana and methadone, and eventually heroin.

But, due to opposition to the proposal, including a denunciation by the Vatican, it has been shelved, except for a section that allows pharmacies to dispense methadone to registered addicts. Nevertheless, the PSI youth group, the FGSI, and the Radical Party, have been deployed all over Italy to push for full legalization of drugs.

Craxi and the PSI have also begun a strong push for the "DeMichelis Plan," authored by Craxi associate Gianni DeMichelis, the minister for state participation (state-owned industries). The plan draws heavily on Club of Rome and Davignon studies for the European Community, from the standpoint that steel, nuclear energy and heavy industry in general are the "sunset" industries, while electronics, computers and pharmaceuticals are the "sunrise" industries. Thus, the DeMichelis Plan calls for creation of a huge telecommunications industry, while dismantling Italy's state-owned energy conglomerate, ENI, especially its nuclear energy and engineering components.

Further, the DeMichelis Plan calls for use of energy conservation, solar energy, cutbacks in research and development, and increased austerity imposed on the Italian population, in the form of wage cuts and increases in costs of gas, electricity and other utilities.

To prepare the way for this, Craxi and his cronies have played a key role in sabotaging agreements with Middle East countries, especially Saudi Arabia, to furnish Italy with oil in exchange for Italian technology in the form of (largely) ENI-supplied nuclear power plants, steel plants, and other heavy industry, under agreements reached under the last government headed by Christian Democrat Giulio Andreotti.

Saudi Arabia was forced to withdraw from the agreement after Craxi and his collaborator Rino Formica, Socialist transportation minister, launched a scandal in 1979 against ENI's management for mis-handling of funds. The scandal resulted in total cancellation of the Saudi-Italian agreement in December 1980.

Berlinguer, for the first time since the days of Moro.

### **Fighting in the rubble**

Craxi's response was ruthless and immediate. His tool was the Naples earthquake, a disaster that claimed the lives of between 5,000 and 10,000 people, leaving hundreds of thousands homeless. While poverty-stricken victims struggled to climb out of the rubble, Craxi plowed ahead, exploiting the immense tragedy.

The PSI's political operation around the earthquake was twofold. First, the Socialist Lelio Lagorio, whose defense ministry held jurisdiction over the army and carabinieri forces, sabotaged relief efforts by *not* sending troops to the devastated areas. Simultaneously, the PSI, especially in the wealthy northern city of Milan, organized private relief operations which deliberately bypassed the central gover

Socialist press organs launched an international smear campaign designed to throw blame for tardy relief on Interior Minister Rognoni, a Christian Democrat, and on government and parliament as such. Central to this operation was Sandro Pertini, the PSI president of the Republic. The senile, anarchistic Pertini gave full vent to his populist prejudices immediately after the quake hit by appearing on nationwide television to denounce the national government.

The political and social effects of this ignominious maneuver cannot be underestimated. The immediate political response came from the Communists, who, riding the wave of popular discontent and disorientation, reversed their "historical compromise" perspective, announcing their intention to replace the DC as the central coalition party in an emergency government to be formed with "men of good will" from all parties.

The social effect was more profound. The entire population felt betrayed by what was presented to it as a conniving, heartless political system. It was not the responsible criminals who were being identified; nor was it even the specific Forlani government. What was being subjected to deliberate disintegration was the very structure of parliamentary democracy. The Italian people were being shown television films of suffering earthquake victims and were being told that "the government"—any and all government—was responsible.

### **Craxi, the new Mussolini**

Bettino Craxi's aim, by now publicly aired on nationwide television and daily mooted in the press, is to become the second Mussolini. Like Craxi, Mussolini was a radical leader of the Socialist Party who exploited backwardness and social unrest in the post-World War I economic crisis to impose a fascist regime on Italy. Like Mussolini, Craxi intends to use the military backing Chief of Staff Torrisi can provide him, as well as the Red Brigades as shock troops. The immediate political

target of such a fascist regime would be the PCI, the trade-unions and the Andreotti wing of the DC.

But who are the political forces behind the Craxi-NATO coup scenario? What do they want to achieve? The forces backing Craxi's coup as an operational, live option are led by the Venetian oligarchy. The same Toni Bisaglia, run out of office for corruption, is a part of the Venice network, heading up the powerful insurance empire Assicurazioni Generali, along with names like the Rothschilds, the Hambros, Giuseppe Medici, and the Luzzattos. (Luzzatto is the oligarchical Venetian family into which current U.S. Ambassador Richard Gardner is married.) A newcomer to the Assicurazioni is Angelo de Benedetti, the man who engineered a major deal with Libya's Qaddafi for FIAT, now heading up the Olivetti corporation. Both Olivetti and Assicurazioni tie into drug and terrorism networks through the former's Latin American connection to the Permindex outfit (involved in the Kennedy assassination) and the latter's Hong Kong affiliation with the drug-connected Jardine Matheson.

The Assicurazioni Generali, along with another Venetian insurance empire, the Riunione Adriatica di Sicurtà (RAS), and the FIAT complex held by the Agnellis and Caracciolos are the financial entities used by the oligarchs to carry out their business, from importing black-market Libyan oil to drug and arms trafficking. In addition, this nexus provides the financial clout for carrying through the economic policy of a Craxi dictatorship.

Guido Carli, former president of Italy's Confederation of Industry, and an intimate of Venetian and Roman black nobles, has dubbed this scenario the "Argentinization" of Italy. In Carli's view, the Craxi military cabinet would be a technocratic government above and without parties. This idea has been endorsed by such factional allies of Carli, de Benedetti, Bisaglia, and company as PSI State Industry Minister Giovanni DeMichelis, Republicans Giorgio LaMalfa, Bruno Visentini and Pacciardi, and PSDI party president Longo. According to a white paper drawn up by DeMichelis, known as the DeMichelis Plan, the technocratic government would consolidate control over the information industry (electronics, telephones, etc. now represented by SIT-Siemens, STET and Olivetti) and use it to exert social control (see page 29).

That, in a nutshell, is the "fundamental change" in Italy that Michael Ledeen was talking about in a *Washington Star* column in late December. The Georgetown University think-tanker says that Craxi, that "bright young secretary-general of a vigorous and strongly anticommunist Italian Socialist Party," is the man for the job. The Hans Seidl Stiftung, a think tank controlled by Bavarian politico Franz-Josef Strauss, has also made public its conviction that "Craxi is the new

Mussolini.” And Richard Gardner heartily agrees.

When Craxi and his Venetian stringpullers put the finishing touches on a coup plan, they were acting under enormous time pressure. Internally, their Preamble group was unraveling, and Reagan’s victory sounded a potential death knell for their whole faction.

### The Andreotti option

For that very reason, Giulio Andreotti, who had thrown his entire political weight behind Reagan, felt encouraged to make a move toward consolidating his own power base. But Andreotti faces a problem. Although his DC has been reorganized, the bad seeds having been sifted out, the process of social disintegration and erosion of public confidence in parliament has advanced so rapidly as to make the “old” approach to a “historical compromise” coalition unviable. The only way that Italy’s economy can be salvaged from the technetronic nightmare Craxi plans for it, is through a far-ranging reform of the currency, credit and tax structures along the lines of the heavy lira proposal introduced by Lyndon LaRouche. And the only way such a policy can be implemented in the current crisis is through a top-down “Gaullist” reorganization, something Andreotti could readily achieve from the position of president, not of the Christian Democracy, but of the Italian Republic.

Among Andreotti intimates, it is no secret that the experienced statesman is fixing his sights on the presidential Quirinale palace currently occupied by the senile Pertini. But what will Washington do? If President-elect Reagan recognizes the Craxi danger, he cannot fail to grasp the urgency of providing Mr. Andreotti the political support due to a faithful U.S. ally.

The most immediate signal for such support would be Reagan’s choice of a close personal associate from the business world to occupy Ambassador Gardner’s position on Via Veneto in Rome. The danger is that Mr. Reagan will submit to pressure from the Kissinger camp and send someone to Rome with an anachronistic anticommunist profile. That grave error would play into the hands of the dangerous Craxi and virtually endorse an Argentinian-style coup, endangering European security and blackening Reagan’s foreign policy image internationally.

If Reagan follows his better instincts and wiser advisers, he will provide Andreotti a diplomatic representative worth his salt. Andreotti, who was educated to politics by the great Pope Paul VI and postwar Prime Minister Alcide DeGasperri, is Italy’s ablest statesman, as well as being one of Europe’s foremost leaders. If Italy is to find the road that leads to a renewed republic and a future of economic and political stability, Giulio Andreotti must be the man in charge. In the current crisis, he is the man who knows what makes Italy tick.

## Italian terrorism: a political weapon

by Muriel Mirak

Red Brigades terrorist Franco Piperno told a nationwide TV audience in Italy last week that “terrorism is not common criminality, it is political.” Piperno knows what he is talking about. The young protégé of Italian Socialist Party (PSI) mafioso Giacomo Mancini was extradited last year from France on charges of involvement in the kidnap murder of Italian statesman Aldo Moro. During Moro’s captivity, Piperno and his partner in crime Lanfranco Pace served as go-betweens for Moro’s terrorist jailers and PSI party boss Bettino Craxi.

Today a repeat performance of the Moro affair, staged by the Red Brigades and kidnap victim Judge Giovanni D’Urso, has all the qualities of déjà vu.

D’Urso was kidnaped by the Red Brigades on Dec. 16. The terrorists’ aim was to force the weak Forlani government to the bargaining table and thus rip up the last shreds of credibility retained by Italy’s postwar republican institutions. This process would lead to strongman Craxi’s stepping in to take dictatorial power.

But why Judge D’Urso? And why make the attack that day? The answers to these questions shed light on the wholly political character of the brutal terrorism wielded against the Italian state over the last decade.

In the first week of December, two crucial gatherings took place signaling a tip in the political balance in favor of Giulio Andreotti. At the Christian Democracy’s national council meeting, Andreotti’s open dialogue policy towards the Italian Communist Party (PCI) was officially endorsed and five regional governments—in Sardinia, Campania, Liguria, the Marches, and Calabria—were slated to host “historical compromise” coalitions between the DC and PCI. At the same time, *EIR* held a well-attended conference in Rome to present Lyndon LaRouche’s heavy lira proposal for currency and credit reform. Both Andreotti’s DC and his allies around Berlinguer in the PCI studied the proposal carefully, with an eye to implementing it once a national coalition government could be put together.

The terror attack was unleashed, exactly as in 1978, to bust up this embryonic PCI-DC agreement. This was absolutely clear in the shooting death of DC Mayor Marcello Torri on Dec. 11 in the small southern town of Pagani. Torri had been a “historical compromise” DCer,