

Italy: ex-communists, bankers sound alike

by Leonardo Servadio

"I see on the horizon a very dramatic crisis in the Christian Democracy," said Italian Republican Party (PRI) leader Giorgio La Malfa in an interview published by the Catholic weekly *Il Sabato* at the end of April. La Malfa was elaborating on his ideas in the debate raging over what kind of "institutional reform" to implement in Italy.

The debate is dramatized by repeated attacks against the Italian economy from the top international authorities on finance. German central bank Governor Karl-Otto Poehl and the International Monetary Fund (IMF) have criticized the huge government debt, which this year surpassed the annual gross national product, and is burgeoning due to a yearly interest bill of some 130,000 billion liras (\$100 billion). The IMF is demanding drastic cuts in Italy's spending; Poehl claims to be worried about Mafia interests eating at the public trough.

Moody's investment rating house has threatened to downgrade Italy from the highest rating on the international markets, AAA, to AA. The policies being proposed to put Italy's economic house in order require austerity measures. The only way to avoid them would be to carry out a real long-term productive research and development and infrastructural investment program, accompanied by a real fight against corruption. But while there is big talk about building infrastructure as a "lever" for economic growth (especially, high-speed railroads and a bridge over the Messina Strait separating Sicily from continental Italy), so far the actual capacity to implement positive policies has not been there. Due to this impasse, the watchword is: Make the institutions more efficient, so that finally things can get done.

'Alternative' would kowtow to U.S.

This is the context for La Malfa's decision to keep his small but influential Italian Republican Party, which represents banking and Freemasonic interests and has historically been backed by Anglo-American intelligence, out of the present government coalition, even though the PRI has been allied to the ruling Christian Democrats in the Italian government ever since World War II. La Malfa's move seems to pave the way for an eventual, British-model "alternative" to the government with a different majority. In Italy, this could only pivot around the former communists of the Democratic Party of the Left (PDS), the next largest party after the Christian Democracy. La Malfa hopes a split inside the Christian Democracy would

reduce its power and boost the "alternative."

Such a split would stem from two factors: 1) the collapse of the communist threat (the presence in Italy of the West's biggest communist party was deemed a major reason why Italian voters kept giving the highest percentage of votes to the Christian Democracy since World War II); 2) the anti-American stand taken by the Church recently. "When the Church has a foreign policy view such as that which it expressed with great force during the Gulf war, and like that which it announced will be contained in the upcoming social encyclical (with the accent on the defects and limits of the capitalist system), I see for the Christian Democracy the risk of a split," said La Malfa. "The post-communist Church makes it impossible for the Christian Democracy to remain Italy's biggest party. A situation might emerge in which the CD, in the future, becomes two different things: a strictly Catholic CD, based on the position, so to say, of Communion and Liberation,"—the Catholic political movement which has been blunt in its criticism of the Gulf war and the Freemasonry—"and a totally different CD, more secular and European."

By more "secular" and "European" La Malfa means, apparently, readier to kowtow to Washington. La Malfa's analysis hits the nail on the head. Italy's Catholic forces will never go along with the various brands of "consumerism" and predominance of financial capitalism which define the present U.S. model.

However, the ex-communists of Achille Occhetto's PDS have no such scruples, and are taking all the needed steps to get plugged into the international authorities which might support a PDS entry into the government in the Christian Democracy's stead. Last year Occhetto visited the temple of capitalism in New York, meeting with the Council on Foreign Relations and David Rockefeller. Then he went to the State Department. It was a first step, coordinated with Gorbachov's wing of the Soviet Communist Party. At the same time, he moved to introduce his party into the Socialist International, building on longstanding ties with the German Social Democrats.

Now Occhetto has taken another big step. He went to Israel to meet Labor Party leader Shimon Peres and Prime Minister Yitzhak Shamir. With Peres, Occhetto was in "total agreement," as the Italian press reported. With Shamir he had disagreements but apparently not dramatic ones. Occhetto issued a self-criticism: "Often among us there was the tendency to identify Zionism with religious fundamentalism. But we were wrong, since Zionism was born as a movement of national liberation, pluralistic, and full of different cultural and political orientations."

"The State of Israel was not the maker, but the victim of the Cold War," said Occhetto; hence, the end of the Cold War will help to end Israel's isolation. Given the tight connection between Israel and the Italian Republicans, this might be interpreted as a move by Occhetto, toward an internal alliance with La Malfa's party.