

investigation, an "anti-corruption" campaign through which the Anglo-Venetian group has successfully destroyed the political parties that had been hegemonic on the Italian constitutional scene for 45 years.

The Northern League was forced to form an electoral bloc under Berlusconi, or stand accused of delivering Italy to "the communists." But the League interests were, from the beginning, exactly on the side of the Anglo-Venetian front. Berlusconi won the elections, but it was only a matter of time until the conflict would explode.

Behind the pensions crisis

One of the reasons behind the crisis is the IMF-requested privatization of the pension system, which is currently centralized under the state-owned INPS company. Allegedly, one of the contributing causes of the Italian huge public debt (almost \$1.25 trillion, more than the Gross National Product), is the deficit of the pension system. Thus, the IMF first requested that the government reduce entitlements (which Berlusconi did in part); then, in mid-December, an IMF delegation visited Italy and issued a much harsher ultimatum: The pension system must be privatized by May 1995.

It is clear that no politician can do that, and hope to be reelected. Therefore, you need a technocratic government to come in to do the job. Exactly what League head Umberto Bossi, and opposition leaders such as PDS Secretary General Massimo D'Alema and Popular Party Secretary Rocco Buttiglione, have publicly supported.

The whole discussion is based on a fraud. Italy's pension system has no deficit. Published figures released by INPS show that as much money goes out for pensions, as comes in from active workers' payments. The so-called deficit consists in that portion of payments which INPS has been forced to

issue in the past years in the form of unemployment, short-work, and other compensatory benefits, as a result of government decisions often forced by large companies such as Fiat and Olivetti, which were laying off workers and wanted to avoid troubles from the trade unions. These same corporations are today behind the campaign over the "bankruptcy of the pension system."

It is the London-centered financial markets that are bankrupt, in fact, which is why they want to get their hands on Italy's pension funds. In case the IMF reforms are implemented, the equivalent of roughly \$90 trillion would be placed in the hands of London-controlled private funds. This money would be channeled into derivatives speculation, or used in asset-stripping operations such as industrial privatizations.

Berlusconi's capital failure

During his election campaign, Berlusconi had promised he would create 2 million jobs through an investment policy. His newspaper *Il Giornale* had even published a list of infrastructure projects which Forza Italia had indicated were top priority for government policy. Berlusconi has done none of that, and instead has implemented budget cuts. Figures released at the end of the year show that in 1994, unemployment rose by 400,000, which added to the 2 million unemployed produced under the previous Amato and Ciampi governments.

Instead of facing reality, at his year-end press conference, Berlusconi defended his policy and the idea of an existing "economic recovery." In reality, the recovery consists of a mini-export boom limited to those companies which were able to exploit the lira devaluation in 1993. Large corporations such as automobile producer FIAT are announcing profits because they laid off more than 40,000 workers in the last three years. At Olivetti, a balanced budget was reached

Behind London's war with the Berlusconi government

Almost from the outset, the City of London has been in open war with the Berlusconi government, conducting press campaigns and assaults against the Italian currency and state bonds. The hidden reason behind this was London's exposé of the allegedly "neo-fascist" component in the government, around the National Alliance regrouping. The reality of the matter, however, is that members of National Alliance in the Berlusconi government last summer had indicated their desire to put under executive control the activities of the Banca d'Italia, to curb speculation through a regulation of financial derivatives, and even to reintroduce nuclear power as an energy source, after a manipulated voter referendum banned it in 1983.

A leader of the campaign against financial speculation was National Alliance member and Deputy Budget Minister Antonio Parlato. On Oct. 14, he released a document calling for "the Banca d'Italia to intervene to reduce the worrying weight of financial derivatives, which is splitting an enormous mass of resources from investment savings . . . [diverting it] into financial speculation, moving an amount equal to our public debt around the world." Referring to the present financial and monetary system, Parlato characterized it as "a weak system even threatening to undermine national sovereignty."

Parlato was the first member of Parliament, in 1993, to confront the Ciampi government with *EIR*'s revelations about the infamous meeting onboard Queen Elizabeth's yacht *Britannia*, a conspiratorial gathering to plan Italian privatizations. In another initiative, Parlato had also requested from the Italian government an investigation into the illegal jailing of Lyndon LaRouche.