

by laying off one-third of their labor force in the last four years. The same occurred at Pirelli. Furthermore, a recent study showed that most industrial firms which increased production, did so by bringing their utilization of capacity up to close to 100% and by making no investments. They were able to do it by forcing workers to accept shifts around the clock, in many cases without paying overtime.

The two alternatives before Italian President Oscar Luigi Scalfaro are both going to worsen that picture: either a technocratic government, or a Berlusconi caretaker government leading to early elections in the spring. In the first case, the composition of the cabinet will define what Italy's foreign policy will be. One of the worst cases would be if Scalfaro appoints former President Francesco Cossiga, a British puppet through and through. Cossiga has been preparing for that in London, as he did during the last government crisis. If Berlusconi succeeds in keeping his party united under him, there will be elections and a months-long vacuum.

Jacobin prosecutors

Whoever becomes the next Italian prime minister, he will face a Jacobin persecution if he does not comply with IMF dictates. This persecution is called the "Clean Hands" investigation, run by a group of magistrates under Milan Chief Prosecutor Francesco Saverio Borrelli. The function of the "Clean Hands" investigation is, more or less, similar to the Whitewater operation against President Clinton. For instance, they tried to eliminate Berlusconi by accusing him of having authorized a bribe of police officers inspecting the books of Berlusconi's company Fininvest. The accusation concerns events which occurred back in 1990, and the bribe was less than \$200,000. By mounting a press campaign, however, they aimed to discredit Berlusconi and to force him to resign. Instead, Berlusconi accused them of "conspiracy" against his government, even after he was forced to submit to a humiliating "interrogation" for seven hours, in early December. Instead, he ordered a government investigation into the Milan prosecutor's office. Polls taken by Berlusconi's people then showed that half of Italy's voters supported him against the magistrates. That is probably why Borrelli's team hesitated to arrest him, which they will probably do as soon as Berlusconi is no longer prime minister.

Recently, the "Clean Hands" operation lost its chief member, Antonio Di Pietro, who resigned to prepare for a political career on the advice of his close friend Cossiga. Di Pietro, a former policeman in the 1970s under Carabinieri Gen. Carlo Alberto Dalla Chiesa (a member of the secret Propaganda-2 masonic lodge, later killed by the Mafia), has become the most popular figure in Italy, thanks to his spectacular "anti-corruption" investigation. Depending on how the situation develops, the Anglo-Venetian oligarchy is keeping Di Pietro as an ace in the hole, to launch him either as a candidate for prime minister or justice minister. Politically an incompetent, Di Pietro will be a puppet in the hands of his masters.

After Grozny debacle, time running out for Yeltsin 'reforms'

by Konstantin George

The bloody war waged by Moscow's Yeltsin government against the breakaway Caucasus region of Chechnya, which had killed thousands by the New Year, is serving as a catalyst to a historical process. It can be confidently foretold that 1995 will see the demise of the Yeltsin regime and the burial of the "reforms" inspired by the International Monetary Fund, which have wrecked the physical economy of Russia. The conduct of both Russia's military leadership and the Russian Orthodox Church during the Chechnya war, signals that powerful Russian national institutions were committed to overturning the "reforms" before the war began. The military adventure of Yeltsin and his coterie, has been an attempt to preempt or postpone the termination of the ruinous policies that have ruled Russian since 1991.

Army and church in opposition

The debacle in Chechnya has accelerated since the Army's New Year's Day failure to take the Chechen capital of Grozny. Hundreds of Russian troops were killed, hundreds of others captured, and dozens of tanks and armored vehicles destroyed. According to information from eyewitnesses, the Chechens allowed the Russian tanks and armored vehicles to penetrate their outer positions and advance to the center of the capital. Then, the Chechens cut off the Russian advance troops, opening fire on them from all directions. After suffering very heavy losses in men and equipment, the remaining Russians were forced to withdraw. The Chechens claim that they took up to 300 Russian prisoners, including a general and four colonels.

The chaotic Grozny ground attack mirrors the rejection by the unified military high command of the Yeltsin regime's policies. The high losses are, to be sure, being very angrily swallowed by these leaders as the price paid to let the regime play out its hand, with the pragmatist calculation that this evident catastrophe may speed up the process of moving to the post-"reform" era.

The public side of the military's attitude is seen in: 1) the historically unprecedented refusal by Russian high-ranking officers to take any part in the Chechen war, with one after the other rejecting operational command positions; and 2) the outright opposition to the war by at least three of Russia's deputy defense ministers, Generals Kondratyev, Gromov,

and Mironov. This phenomenon has been heavily covered in the western media as a "split" in the Russian military command. In reality, the Russian military command, and above all the General Staff, is united in its opposition to the regime, except for a tiny, institutionally meaningless coterie around Defense Minister Grachov.

It needs to be underscored that not one of the generals who has either spoken out against the war, or rejected operational command responsibilities, has been removed. Grachov drafted decrees to this effect, but Yeltsin has not given them the required presidential signature. These generals would have met a very different fate under war conditions if their opposition were merely the function of a "split" in the military command.

Besides the Army, the most important national-patriotic institution is the Russian Orthodox Church. The church has echoed the policy of the General Staff in opposing the regime's policies, using the war in the Caucasus as the public issue around which to express this opposition. From Dec. 19 through New Year's Day, when he delivered his latest address against the war, Russian Orthodox Patriarch Aleksii II has spoken out three times against the war in Chechnya. Each time he has called for an immediate end to military operations, and negotiations with the Chechens.

Political forces poised

On the political side, the most vocal civilian opposition to Yeltsin's war in Chechnya has been heard from the camp of the "reformers," including former Prime Minister Yegor Gaidar. They sniff the winds that are blowing harder against the reform period, and believe foolishly that Yeltsin is dooming the reforms, whereas the truth is that the disaster of the reforms and following IMF prescriptions is dooming Yeltsin.

The most important political opposition is not so audible in public, but is reaching a crescendo behind closed doors. The leadership of the State Duma, or parliament, and the leaders of most of the political parties are against the regime's pro-IMF economic measures and against the military adventure. Indeed, Yeltsin's war decision put off the expected mid-December showdown in the State Duma over the government's IMF-approved 1995 draft austerity budget. On the war itself, the Duma has avoided falling into the trap of provoking too soon a showdown with Yeltsin. They do not wish to give him any pretext to dissolve the Duma, which would, in the opposition's view, bring the Moscow political crisis prematurely to a head. Duma Chairman Ivan Rybkin refused to convene an extraordinary session during the New Year's and Russian Orthodox Christmas recess. He and others prefer to wait till the normal mid-January reconvening, by which time the debacle in the Caucasus can be expected to have plunged Yeltsin's crowd to a nadir of credibility.

What will have also greatly increased by that time will be the gaping fissures *inside* the regime. Leaks from the Dec. 26 Russian Security Council meeting featured a loud clash



Russian Orthodox Patriarch Aleksii II, an outspoken opponent of the war in Chechnya.

between Yeltsin and Prime Minister Viktor Chernomyrdin. Chernomyrdin was reported to have denounced the war in the Caucasus as "pure military idiocy." Earlier, on Dec. 14, a spokesman for Chernomyrdin came out opposing the plans of the Yeltsin coterie for storming Grozny. The "leaks" about Chernomyrdin are more than credible. He has not uttered a peep in support of the military operations in Chechnya, even though, up until Dec. 26, during Yeltsin's prolonged absence, it was he who chaired all the Russian Security Council meetings that dealt with the war in the Caucasus.

On Jan. 4, Chernomyrdin began a series of closed-door meetings with the leadership of the Duma to discuss Chechnya.

Flight forward

Yeltsin began the military adventure in Chechnya as a preemptive move to buy time for his position. In light of the trend against him, accentuated by the New Year's military debacle, Yeltsin's only recourse is to escalate the war through razing Grozny to the ground, and a scorched-earth policy in general in Chechnya. In the 48 hours after the failed attempt to take Grozny, Jan. 1-3 produced the heaviest air and artillery bombardments against the city. Hundreds of people are being killed each day in Grozny alone. An escalation of air attacks against villages in the northern part of Chechnya has also occurred, though this aspect of the war generally escapes media attention. It came out on Jan. 3, when Russian planes "in error" bombed a village across the border from Chechnya in the neighboring region of Ingushetia, killing four Ingush civilians.

Nearly one-third of Chechnya's 1.2 million people had become refugees by Jan. 2. According to statistics released Jan. 3 by the Russian immigration service, at least 80,000 people had fled from Chechnya to Ingushetia, and a further 30,000 to the region of Dagestan, to the east. According to the International Red Cross, there are an estimated 250,000 refugees inside Chechnya. These figures increase daily.