

Italy's parliamentary elections: The left wins, a shift to the right

by Claudio Celani

Contrary to general forecasts, the Italian general elections held on April 21 did bring in a clear majority in the new Parliament. However, seeing the victory of Romano Prodi's center-left coalition "The Olive Tree" as an historic shift and as a promise of long-expected stability, as the international media did, is wrong and misleading. First, although it is the first time that Italy's left, namely the former communist PDS, has won an electoral majority, one must not forget that they were already the main force supporting the last government, led by technocrat Lamberto Dini. Dini himself, after his government fell, formed his own electoral slate, called Italian Renewal, filled it with collaborators and relatives, and contributed to the center-left victory by bringing in a desired quota of moderate votes.

Secondly, although the 167 seats in the Senate and the 324 in the Chamber of Deputies are more than enough to ensure a government majority for the whole five-year legislative term, the center-left bloc has to rely on the votes of the traditional communists, Communist Refoundation, whose official programs are radically opposite to Prodi's ones, on key issues such as wage policy, privatization, and taxes. It is expected that Refoundation will give a grace period to Prodi of no longer than six months, after which this contradiction will explode.

The apparent paradox of the Italian result is that it drew euphoric reactions from quarters which usually would be the last to rejoice in a victory of the left: the international financial markets. The Milan stock exchange jumped up 5%, and the lira reached a record high against the German mark, approaching the 1,000:1 level. U.S. mutual funds and investment banks flew in capital, buying Italian-denominated bonds on the derivative market, as if the elections had been won by Margaret Thatcher.

The paradox is explained by the fact that The Olive Tree, although calling itself "left," has pushed for radical free-market reforms, which bring it much closer to a Thatcher-style "right-wing" liberal party, than to a traditional, pro-labor formation. The Olive Tree leaders have profiled themselves as the champions of the "Maastricht guidelines," promising to implement a strict budget-control policy, a sweeping pension and health reform, and a radical privatization program. Both Prodi (see box) and the PDS have already given proof of their "reliability" for enforcing austerity; the former, when he was

head of Italy's giant State-owned conglomerate IRI and, most recently, through his public association with international financier George Soros; the latter, in ensuring trade union support for Dini's free-market policies and, previous to that, for the even harsher policies implemented by Carlo Azeglio Ciampi, former head of the central bank, in 1993. The collaboration between the PDS and Ciampi has been so good that it is taken as given that Ciampi will be appointed to one or two economic ministries in the new Prodi cabinet.

Twenty-four hours after the publication of the official results, IMF European director Massimo Russo had already given an ultimatum to Prodi, "suggesting" that he be included in the general three-year program, to be issued by the government already on May 15, the announcement of a \$30-32 billion austerity package for the 1996 budget. Cuts, "suggested" Russo, have to be made in the health sector, while non-income taxes have to be increased, and wages and salaries must not.

Romano Prodi sent a signal in his first public statement after the vote. "My priority," he said, "is to bring the lira back into the European Monetary System," implying a fulfillment of the Maastricht guidelines. The second priority, he said, is the privatization of the State-owned communications holding STET.

The other significant aspect of the election result is the astounding success of the separatist Northern League, which became the largest party in two of Italy's most industrialized regions: Lombardy and Veneto, where they got, respectively, 27 and 19 direct mandates to the Chamber and 11 and 9 to the Senate. The significance of that vote is that the League was neither part of The Olive Tree nor of the Freedoms Alliance, the conservative bloc, and therefore had to count exclusively on its electoral base. Umberto Bossi, the Northern League leader, had counted on such a success, aiming at becoming the "king-maker" in the national Parliament. Instead, despite the overwhelming success in terms of votes, the League got "only" 59 seats in the Chamber and 27 in the Senate, insufficient to play the swing-factor.

However, the League success is being used by certain components of The Olive Tree to adopt its program of so-called federalist reform, i.e., transferring part of the central fiscal powers to local administrations. Massimo Cacciari, mayor of Venice and leader of the "mayors' party," declared in an interview: "We must rapidly and concretely pursue a

federalist and autonomist project.”

Such a move would open a highly dangerous period of unraveling of State powers, fulfilling the scenario laid out by Giovanni Alberto Agnelli, the youngest member of Italy’s most powerful pro-British oligarchical family, in an interview with British journalist Alan Friedman April 9. Italy’s period of painful transition, Agnelli said, will probably not end “until another two or three elections are held.”

Bossi has more votes than Mussolini

Although the Northern League failed to achieve its political target, of becoming the decisive factor in determining a national majority between left and right, the astounding success of Umberto Bossi’s movement in Northern Italy is the most threatening aspect of the Italian elections. The League already had the strongest parliamentary faction in the last legislature, with more than 100 elected representatives, but that had been achieved thanks to “bloc” votes, coming from voters of the League’s allies, Forza Italia and National Alliance. This time, breaking with its allies and running alone, the League gave a demonstration of strength, winning in total 3,777,786 votes, more than in 1994. Since those votes come mostly from northern regions, the League’s national percentage is “only” 10.1%, which is, however, almost two points more than 1994 (8.4%). Also, its parliamentary strength has been cut by half, because of fewer direct mandates.

On the basis of this result, the League’s Umberto Bossi is going to intensify his call for “independentism,” as he characterizes a populist-jacobin propaganda in favor of greater autonomy of Northern Italy from the central authorities. Last year, Bossi’s “independentist” calls and actions already activated warnings from the President of the Republic, Oscar Scalfaro, and indirectly, even from the pope, during the annual meeting of the Italian Catholic bishops. Such warnings were well-founded: Bossi did not limit his polemics against the “corrupt Rome Parliament,” but opened his own “Northern Parliament” in the city of Mantua. The Mantua “Parliament,” composed of League representatives, has been meeting regularly every two weeks, discussing and voting as if it were a real parliament.

So far, the border between farce and constitutional offense has been carefully respected, in order to avoid a police and judiciary intervention and the disbanding of the movement, but the threat of secession is used by League leaders to blackmail other political forces and obtain their “federalist” reform. Already after the vote, representatives of the winning Olive Tree coalition, such as Venice’s Mayor Massimo Cacciari, a pro-Nietzsche philosopher, called on Prodi to start a “federalist” reform immediately. Before the elections, Milan Cardinal Carlo Maria Martini, a Jesuit often praised by the British press, issued a similar recommendation in the form of a paper calling for “solidarity federalism.” The powerful Agnelli Foundation in Turin has for years pushed a similar project.

In order to understand what Bossi’s “federalist” reform

really is, one has to compare the map of the future regional federation of Italy, issued by League representative Francesco Speroni when he was minister in the Berlusconi cabinet (1994), with the one published in 1992 by Alfred A. Heineken, head of the famous beer corporation and member of Prince Philip’s oligarchical “Club 1001.” The maps differ in minor details. In the presentation of his project, called Eurotopia, Heineken explains that nation-states are no longer useful and that the European continent should be split into 75 mini-states, according to demographic criteria, each one run by a member of a royal family. Heineken drafted his plan after discussions with Cyril Northcote Parkinson, a now deceased historian and a top British intelligence officer. In a telephone discussion with this author, Heineken explained the philosophy behind his plan: “Of course southern Italians do not need industry, they are not fit for that.” This is the modern version of the 19th-century slave plantation.

Why did almost 4 million Italian voters choose a proto-

Who is Romano Prodi?

Romano Prodi is not a new face on the Italian political landscape. He has been industry minister and head of the State conglomerate IRI under several Christian Democratic governments, and was called on to manage IRI again in 1993 under the technocratic government of Carlo Azeglio Ciampi, the former governor of the Bank of Italy. In between, Prodi worked as senior adviser to the Wall Street investment firm Goldman Sachs and was among the first “experts” to be hired by international speculator George Soros in order to draft a radical reform plan for Russia in 1989.

As reported in Soros’s book, *Underwriting Democracy*, Prodi was hired, together with Jeffrey Sachs and others, to draft what was called the Shatalin Plan. Prodi’s relationship to Soros was not cut in the following years, despite Soros’s leading role in the speculative attack against the lira in summer 1992, which forced the Italian currency out of the European Monetary System and devalued it by almost 30%. Prodi appeared publicly in a celebration of Soros on Oct. 30, 1995, when Soros was awarded an honorary doctorate in economics at Bologna University. Confronted by *EIR* journalist Andrew Spannaus, Prodi justified himself by saying, “We reward Soros not for his economic ideas, but for his philosophy.”

Pinning down Prodi’s economic thought is a real problem, since, due to political opportunism, he has often said opposite things on the same issue. But privatization and a stronger dependency of the Italian economy on the international financial markets are two pillars of his policy. Dur-

fascist movement such as the Northern League? The main reason is the economic crisis and increasing tax burden due to the central government's adoption of IMF and Maastricht guidelines. Such a tax burden particularly hits the middle class and small and medium entrepreneurs. The other explanation is specific localist brainwashing techniques inherited from the tradition of the Venetian Republic.

The Northern League, in fact, was launched first in the Venice region (Veneto) in 1979, and made its electoral breakthrough in 1983, on the basis of a deep racist demagoguery against southern Italians and the Rome government, allegedly corrupt because most politicians were southerners. Newspapers such as *Il Gazzettino di Venezia* and institutions such as the Cini Foundation, discreetly helped build the localist ideology. Even Bossi's Lombard League, which until today was the largest, was able to grow at the beginning thanks to financing from its Venetian brothers.

Today, the Venetian League has more than 30% of the

regional vote, and its representatives do not hide the specific Venetian reasons of its success. "I do not deny that in Veneto the ethnic component has deep roots, anchored to the Venetian Republic. Here, this sense of belonging is very strong," says Stefano Stefani, a businessman and federal chairman of the Northern League. Sociologist Ilvo Diamanti, a key League controller, reminds: "The League was born in the Veneto in 1983, as the Venetian League, and in 1992 there were four local leagues that reached 25%, already turning the Veneto into Italy's most league-ist region. Here there is the League genetic humus, the small-enterprises tissue, the other North, different from the large industrial concentration; this is the land that has capitals but no capital cities, such as Milan or Turin." Diamanti, speaking like a typical sociologist, says that he is "very worried" by the monster of secession, which he himself helped create. "When you open a question like this," he said to the daily *La Repubblica*, "and you win, it is impossible to go back."

ing his 1993 mandate, Prodi started privatizing IRI. He sold Banca Commerciale Italiana and Credito Italiano, in a highly controversial procedure, at the end of which both banks turned up in the hands of Enrico Cuccia, the Italian tentacle of Lazard Frères, and Cuccia's allies. Prodi managed also to sell the big food processing company SME, partly to Nestlé and partly to the Benetton group, before being forced to resign because of Silvio Berlusconi's electoral victory in 1994.

In a 1993 interview with Giancarlo Mazzuca, a senior liberal economic journalist, Prodi explained his idea of transforming Italy's State-owned companies according to the British model of "public company." As an example, he offered the British East India Company, his model for a "capitalist" enterprise.

Since Prodi profiles himself as a "nice guy," he is often also presented as "pro-German." But in a rare moment of truth, he wrote in the January 1991 issue of the magazine *Il Mulino*, published by the Il Mulino Foundation in Bologna: "From the political standpoint . . . the fear and the risk are growing, that Germany may use its strength and its diversity to change in its favor the still existing equilibria inside the European Economic Community." Such a statement must be seen as an endorsement of the "Fourth Reich" campaign which was at that time being pushed by the Thatcher government in Britain.

Prodi has put high on his list of priorities, the necessity of fighting unemployment. But during the election campaign, when he was asked to explain how he would create more jobs, he mentioned as a possibility the Delors Plan to build European infrastructure, only to reject it "because there is no money."

Along with the other factors of instability, including the worsening of the social and economic crisis due to the effect of his restructuring policies, Romano Prodi has a Damocles sword hanging over him, represented by the three national official investigations into his friend and partner George Soros. The investigations were started by prosecutors in Rome, Naples, and Milan after a legal brief was introduced last November by Paolo Raimondi and Claudio Ciccanti, chairman and secretary general of the Italian Solidarity Movement, the Italian section of the LaRouche movement.

One embarrassing story on Prodi's past was published in the *EIR Strategic Alert* of March 28, 1995, involving his obscure dealings with the Red Brigade terrorists during the kidnapping of Aldo Moro in 1978. Then, Prodi and a circle of friends around him were informed of the place where the Red Brigades kept Moro prisoner. In order not to disclose the source, Prodi and friends invented the story that they had been in a seance, during which the word "Gradoli" was "revealed."

Prodi himself communicated the information, in this form, to then-Interior Minister Francesco Cossiga. Instead of deploying the police to Via Gradoli, a street in Rome, Cossiga ordered a village with the same name to be searched. The terrorists in Rome thus had enough time to move Moro from Via Gradoli to another safehouse. Prodi let the cynical intrigue happen without protest. Only after Moro's murder was the Via Gradoli terrorist safehouse searched by police. At a 1995 press conference, Prodi was asked whether he still held seances on life-and-death issues. Two of Prodi's "spiritualist" friends were ministers in Lamberto Dini's technocratic government.