

Italy undergoes economic restructuring in the wake of stock-market collapse

by Vivian Zoakos

It was the Italian central bank, acting under advice from the International Monetary Fund, which engineered the crash of the Milan stock market the first week in July, according to a well-informed source. The Milan stock exchange, the largest in Italy, was ordered closed together with the exchange in Rome and others by Treasury Minister Andreatta for the entire week beginning July 8. This was the first time the market had closed since 1917 when the Austrians overran Italy.

The newspaper *Il Giornale* had noted July 8 that the market collapse was deliberately orchestrated. The paper pointed out that some of the leading Italian banks, including the Banca Commerciale Italiana and the Monte dei Paschi of Siena had been engaged prior to the crash in wildly bidding up the stock share price of the exchange. When the banks pulled out, the market went into an uncontrollable tailspin.

The market had fallen by no less than 31 percent in 30 days. After the big banks had finished their buying spree, the Milan stock index stood at 1700, the highest in its history. Then the bear raid was launched and the bottom fell out of the market. As prices tumbled, new restrictions by the Italian Treasury, requiring purchases of stock to be made in cash, and for each stock purchaser to put up 30 percent of the stock purchase value of his own money, instead of borrowing the funds, had no effect.

When, on the morning of July 8, the market faced all sellers and no buyers, and some stock prices had fallen as much as 20 percent, Treasury Minister Andreatta ordered the Milan and other exchanges closed for the rest of the week. By that time the index had plummeted to 1180.

Dr. Poletti, director of the Banco Ambrosiano, the largest private bank in Italy, told a reporter the following day: "I don't think that the situation evolved that way naturally. Certain forces added gasoline to the stock market fire to help clean it out."

Asked whether the Bank of Italy had practiced a policy of "benign neglect" in order to reach certain political results, he responded: "I think that the Bank of Italy is the biggest weapon we have against inflation. . . .

Besides this, it is in touch with international organizations, like the International Monetary Fund, that give it information and suggestions on how to operate on the Italian market. I would say that the Bank of Italy followed international advice to behave the way it did and let the situation precipitate to the present point in order to be backed internationally, as well as by the subsequent developments [in the market], to act against the politicians who are still opposed to drastic reform, including a change in the 1936 banking law."

The P-2 banking aims

What emerges then is a conspiracy involving the IMF, the Italian central bank, and certain other leading institutions to orchestrate a collapse of the Italian stock market in order to force through certain "reforms." The banks involved, such as the Monte dei Paschi and others, are deeply implicated in the Propaganda 2 (P-2) Freemasonic scandal that is currently shaking Italy. Dr. Poletti's boss, Roberto Calvi, is in jail for illegal financial operations carried out in behalf of the P-2 fascist elite.

The P-2, both institutionally and through its individual members, has been recently demonstrated to stand behind the various coup attempts Italy has suffered throughout the postwar period, as well as controlling of both red and black versions of Italian terrorism.

Currently, Italy's P-2 banks, which are also its largest and include such luminaries as the Banco di Roma, Credito Italiano, Banca Nazionale del Lavoro, and others, are all agitating for repeal of the 1936 banking law. The law forbids Italian banks to own corporate stock, which means that Italian industry is kept under greater governmental control; hence the Italian economy is at least partially free of oligarchical domination. The managed collapse of the Italian stock market has now paved the way for the repeal of this law. The P-2 oligarchs will be enabled to buy up the country, cheap.

Treasury Minister Andreatta, himself firmly under the control of the P-2 fascist conspirators, has promul-

'We need greater authoritarianism'

The following interview was conducted on July 13 with Roberto Ducci, former Italian ambassador to the Court of St. James. A member of the Italian "Club of Rome" or "P-2" faction, Ambassador Ducci was one of the authors of the Treaty of Rome, and belongs to the Pan-European Union along with others such as the Bavarian Franz-Josef Strauss. He is also a close friend of George Ball, the protégé of eugenicist William Draper, Jr. who set up the depopulation bureau in the State Department that formulated the Global 2000 depopulation policy under Carter.

Q: Your friend George Ball has spoken of the need for authoritarian governments to impose the new free-market economy. What do you think of this?

A: The principal problem is that an industrial restructuring cannot be carried out by a weak government. In this I agree with my friend George Ball, because a weak government has to respond to the trade unions, has to support the weaker industries. The type of thing we need done can only be done by an authoritarian government. In this I agree with Ball. We must reduce the employed workforce. . . . Resources must be transferred from one sector to another [without union interference].

Q: The Catholic Church opposes a zero-growth policy. Ball said that the Pope was an obstacle to population reduction.

A: The Pope does not have a great deal of power. He has been defeated on the abortion issue. The problem is the Mexicans, who reproduce too much. The population problem does not really exist, and in any case if it does exist, something will happen to control it. One might even say that a new Black Death would be the best solution, or that excess people could just die from hunger.

Q: Some people believe that the trade unions could dismember themselves in a Jacobin revolt.

A: The period of fights in the streets is over. . . . Nonetheless the minister of the interior ought to be concerned with the loyalty of the police. If we gain the power to force them to fire on workers, then certainly a [trade-union] destabilization would be desirable.

gated emergency law by decree allowing the banks to buy up corporate stock for the first time since 1936. As a result, by July 14 when stock prices were at rock bottom, the banks came in and the market once again began to rise. The next step in the repeal of the 1936 banking law is expected to be the privatization of the largest Italian banks.

These banks, which have been lobbying for the right to issue new stock that could be purchased by "private interests," had been nationalized as part of the effort to bring the Italian economy under the control of the lawfully elected government. Over the past months, repeated appeals have been made both privately and publicly through Parliament and elsewhere to rescind these restrictions and allow private ownership of bank stock. The ostensible motivation behind this lobbying has been the severe economic crisis of the Italian economy. Now, following the market collapse, it is expected that this second aspect of the 1936 law will also shortly be a matter of past history.

A depopulation commitment

While the Italian economy is put in the hands of its fascists, coup plotters, and terrorist controllers, the "eugenicist" policies of this group are similarly forging ahead. This had been the goal behind the replacement of the political machine-based Christian Democracy with the minute Republican Party in the prime ministry. The new Italian premier, for the first time in postwar history, is a Republican, not a Christian Democrat.

The present Italian Republican Party is the direct outgrowth of the now defunct Action Party. That party had been literally formed in the vaults of the Banca Commerciale during the war years, the same Banca Commerciale now cited as a leading participant in the stock market collapse.

As *EIR* has reported in the past, this factional grouping promotes the Club of Rome's depopulation policy for the country. Indeed, this is the faction that created the Club of Rome and groomed its founder Aurelio Peccei, whose asset he remains.

The most recent step taken to initiate a depopulation program was announced July 15 by Prime Minister Giovanni Spadolini, Treasury Minister Andreatta, Health Minister Altissimo, and State Industrial Sector Minister De Michelis. Following consultations, they announced a new plan to reduce government spending by \$20 billion. The cuts will be made exclusively from those sectors of the economy which serve as the foundation for maintaining adequate labor power in the work force: pension benefits, health care, and education. Additionally, Andreatta as well as the rest of the government is on a drive to drastically reduce the cost of living escalator. Italian wages are already among the lowest in Europe.

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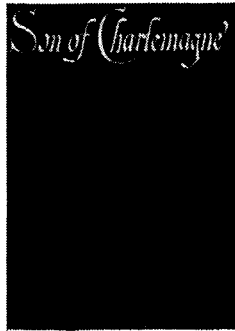
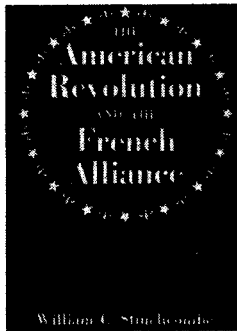
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