

Italy's credit rating lowered as part of a plan to dismember the nation

by Claudio Celani

On Feb. 26, the U.S. rating agency Moody's announced that it had begun a new examination of the foreign currency-denominated Italian debt, in order to establish whether Italy's current credit rating should be maintained. While the Moody's investigation was still ongoing, another rating agency, Standard & Poor's, announced the downgrading of the Italian long-term debt from "AA+" to "AA," thus equating the creditworthiness of the Italian economy, the sixth largest industrial power in the world, to that of Singapore. It is expected that the Moody's final decision will be the same. "Rarely," one reads in the Moody's release, "has the subject of an investigation not had its rating lowered."

The Moody's and Standard & Poor's decisions amount to a declaration of war from the international financial circles which these two agencies represent. Last year, Italy still had a "AAA" rating from Moody's; at the beginning of last summer, Moody's decided to lower the country's rating, which was the signal for the speculation wave that brought down the lira, and with it, the European Monetary System.

This time, the two rating agencies cite political reasons for their decision: "the wave of investigations of instances of corruption over the past months [which] has involved high-level persons in the political leadership of the country and has seriously undermined confidence in the parties of the government coalition."

'Milanogate' spreads like a virus

Thus, the Anglo-American financial establishment officially supports the Milan-based criminal investigation which by now has hit one-third of the members of the Italian Parliament for "crimes" that are prosecuted nowhere else in the world. They mostly consist of private financing for political parties, a practice which became illegal at the end of the 1970s through a law which specified that all party money must come from the state, proportional to the party's electoral strength. In practice, the law made it impossible for any party to finance itself without breaking the law. Violations, even if minimal, of such a law are punished as a crime, with

immediate arrest of the party responsables.

Members of Parliament cannot be arrested, but a climate has been created whereby they are pressured to resign as soon as a suspicion is raised. The latest victim in this earthquake was Christian Democratic leader Ciriaco De Mita, who was forced to resign from his post as chairman of the joint committee on constitutional reform, when his brother, a businessman in Avellino near Naples, was arrested.

Only the week before the Moody's announcement, an unprecedented propaganda campaign, sponsored directly by City of London circles, expressed satisfaction with the destabilizing effects of the "anti-corruption" investigation. The campaign was launched on Feb. 19, by the London *Economist* and the *Wall Street Journal*, followed the next day by *Business Week* and other international media. The line was the same throughout: A Jacobin revolution is under way in Italy, and the country will soon undergo a historical change of regime, by getting rid of its ruling class *in toto*. The *Economist*, with its typical racist touch, came out with a cover picture of a spaghetti dish, tri-color like the Italian flag, under the headline "The Italian Tangle." *Economist* editor Rupert Pennant-Rea—who has now gone to rejoin the Bank of England after a long period of being "leased" to the news magazine—announced: "The Italian parliament as a whole is discredited. . . . The politicians cannot be trusted to put Italy's house in order," and concluded that Italy has to change its "wretched" electoral system, adopt a British one, and hold a constitutional assembly in order to frame a new Constitution.

Matt Frei, the BBC correspondent for southern Europe, wrote a similar piece in the *Wall Street Journal*. Frei announced that the Milan "anti-corruption" investigation, which spurred a "cashmere revolution," is soon going to sweep away all parties, among them the Christian Democratic Party (DC), the main arbiter of politics in Italy's postwar history. The *Wall Street Journal*, as well as *Business Week*, predicted that "corruption scandals" are going to bring down not only the Italian establishment, but also that of France, Spain, and Germany soon thereafter.

Fingers point to Anglo-Americans

As triumphal as such announcements may be, and as critical as the situation may also appear, nevertheless the destabilization of Italy has to reckon with the resistance of national forces, and especially with the role of the LaRouche movement in giving them assistance.

For instance, this time the Italian political leadership reacted as one against the Moody's declaration of war. A joint statement from the Treasury Ministry and the Bank of Italy was immediately issued, accusing Moody's of trying to "disorient the market." Even tougher was President Oscar Luigi Scalfaro, who stated, "I have no consideration for agencies from other parts of the world which suddenly rise to issue notes and sentences, and provoke imbalances which criminals exploit to do what they want." Egged on by their President, a whole army of ministers and politicians accused both Moody's and Standard & Poor's of destabilization. If they put their money where their mouth is, the Italians are going to defend their currency against speculation, and may even reintroduce exchange controls.

In a statement on Feb. 25, American physical economist and political prisoner Lyndon LaRouche issued a policy memorandum on the Italian crisis, which he defined as characterized by an "attempt by Anglo-American-centered forces to orchestrate, through assets which they have long held in Italy, a general destruction of the nation of Italy, an action which is strategically coordinated with the Anglo-American unleashing and orchestration of the genocidal horror perpetrated by the Milosevic fascist forces within Yugoslavia and threatened destruction of the Balkans as a whole."

LaRouche traced the recent origin of the present destabilization "to about 1976, around the crises which occurred then, a period of crisis which came to a point of inflection with the Anglo-American orchestration, with other assistance, of the assassination of former Prime Minister Aldo Moro. But most recently, the emphasis is on the effort to establish a new presidential system, and to destroy the existing political system as a way of creating the pathway for the establishment of a new system, more to the liking of the Anglo-Americans.

"Italy and the Balkans," said LaRouche, "have the common geopolitical feature, at least from the eyes of the Anglo-American relevant forces, of being the southern flank of Central Europe, and therefore the southern flank of a potential Eurasian heartland force." LaRouche identified "those sections of Scottish Rite Freemasonry and related Freemasonry, which are more or less under the direction of England's Duke of Kent and related people," as the forces which are running the destabilization.

LaRouche suggested to the Italians that, "instead of avoiding a provocation of the enemy, one must move for the earliest possible success of the very kind of policies which the enemy fears the most. . . . The greatest fear



Former Italian Prime Minister Bettino Craxi.

of the Anglo-Americans, and particularly of the British geopoliticians, is that a network of cooperation might be established from Paris through Berlin to Moscow and on to Tokyo and China, and that this, based on railroad and related development, might bring about a wave of technologically driven progress throughout continental Eurasia, which would render impotent the British determination, as Cecil Rhodes put it, to reconquer the United States as a part of the British Empire."

The "new presidential system" LaRouche refers to, is a constitutional change, advocated by the Anglo-Americans, which would eliminate the presence of mass-based political parties in favor of a "left-wing" and a "right-wing" side of the same coin—i.e., oligarchical lobbies. Especially the Anglo-Americans are concerned that a strong Catholic, or a Catholic-influenced party, disappear from the scene. They believe that like former Yugoslavia, Italy must be balkanized, except starting from a different situation. Unlike Yugoslavia, Italy is a real nation-state, defined by a common culture and a common language; but the Anglo-Americans plan to split it into three or more small states based on an ethnic-regional identity. That is the significance of the rise of the Northern League, a racist anti-Christian party (LaRouche describes it as "neo-Nietzschean") which in Northern Italy has been winning 30-40% of the vote recently.

Moves to break Italian-German connection

As part of the economic and political warfare against Italy, the Anglo-Americans are hitting a key strategic connection, which in the past years has represented the convergence of national economic interests of Italy and Germany.

On Feb. 18, a high-level official in the Italian public industrial sector, Sergio Castellari, suddenly disappeared. One week later, his corpse was found not far from his house; it had been damaged by animals to the point of making it difficult to perceive that he had "shot himself" in the head. His pistol was back in its holster. At the same time, the press started to spread news that documents had been found in his studio, involving a "German bank" and an Italian state company in an illegal contract for selling nuclear material to Iran. The news, in a crescendo which has not yet stopped, soon specified that the German bank was Deutsche Bank, the Italian company was Ansaldo, and that the deal had been arranged back in 1987 by the secret services of both countries.

Castellari allegedly committed suicide because he had received a cautionary warrant in the context of the Milanogate investigation. For ten years he had been director general of the Ministry for Public Industry, number two after the minister himself but, in reality, more important, because ministers came and went. When in 1992 the present government led by Giuliano Amato decided, under international pressures, to start privatizing public industries, and to dissolve that ministry and put all state industries (one-third of the Italian economy) under the Treasury, Castellari left and became an adviser to Deutsche Bank.

Castellari's connection to Deutsche Bank must have in fact been older, going back at least to the time when the German bank was led by Alfred Herrhausen, who wanted to industrially develop eastern Europe but was killed by "terrorists" in late 1989. The facts involving Castellari in the alleged Iran deal go back to that period.

Castellari was also very close to the Socialist Party, whose leader Bettino Craxi has been the first top-level target of the Milanogate investigation. Craxi has accused his "old American friends" and "financial circles" operating on "global markets" of running the attack against him, his party, the Italian political system, and Italian public industry.

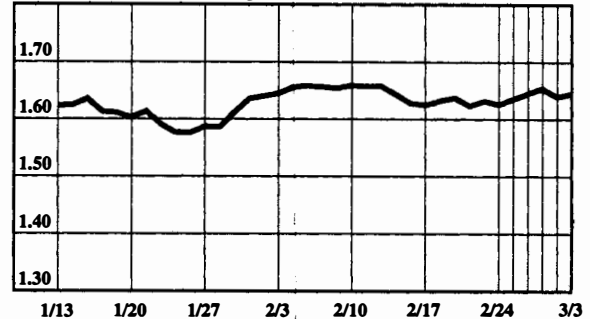
"It seems to me to be a murder, rather than a suicide," said Sebastiano Montali, a former undersecretary of state in Castellari's ministry, to the Milan daily *Corriere della Sera*.

The target of the operation around Castellari's mysterious death seems to be Italian and German political and economic factions which share a common, dirigistic, pro-industrial policy. And the *modus operandi* of such a targeting corresponds exactly to the new guidelines of American intelligence according to the "Webster doctrine." Suspicions are raised in Italian political circles, that the only agency that could have done the job is Kroll Associates, or the Milan-based Bishop International.

Currency Rates

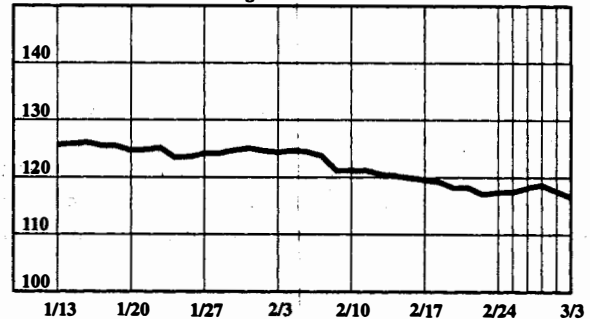
The dollar in deutschemarks

New York late afternoon fixing



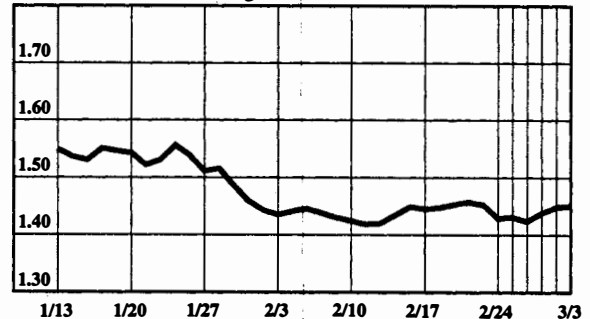
The dollar in yen

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The British pound in dollars

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The dollar in Swiss francs

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