

# Italy's Dini carries out bankers' program

by Claudio Celani

The new Italian government headed by Prime Minister Lamberto Dini, a former executive director of the International Monetary Fund, has moved to carry out a number of austerity programs demanded by the financial establishment, at the expense of the Italian nation. But after only one month in office, the government is so unstable, that the political parties are already preparing for early elections, which could come as soon as May.

Dini's transport minister, Giovanni Caravale, has blocked Italy's participation in a vital high-speed railway project, by announcing that the project has to be reexamined financially. Although Caravale formally denies that he wants to cancel the project altogether, his move would stop it for at least one year, thus jeopardizing the many contracts already signed by the state, private companies, and local administrations. These complex negotiations have been 99.9% completed, State Railway Manager Lorenzo Necci had announced just the day before.

The Italian state is presently financing 40% of the high-speed rail projects. Private companies will finance the rest, but the investments are insured by the state. Caravale, a former bureaucrat from the Finance Ministry, insists that such state guarantees amount to a subsidy, and wants to change them.

Franco Carraro, chairman of the Impregilo company, which is supposed to build 61% of the Florence-Bologna line, has declared that if the contracts are not signed during February, "the project could be delayed for one year. In the meantime, there are very serious risks for employment."

On another front, Labor Minister Tiziano Treu has announced that, this year, 1.5 million pensioners will receive part of their pensions in state bonds. The bonds, with five or ten years' maturity, will replace the equivalent of some \$20 billion which had been cut by the last government, and later restored by the Supreme Court, which ruled that the cuts were unconstitutional.

Sergio D'Antoni, leader of one of the three major trade unions, the CSIL, threw his support behind the plan. "We agree on payment in state bonds," he said. "It is important to act quickly."

As for the ministries of defense and foreign affairs, these are dominated by oligarchs, as *EIR* reported last week. Deputy Defense Minister Carlo Maria Santora, founder of the Center for Geopolitics and Ethno-Nationalism in Milan,

raised eyebrows when he endorsed the Fortress Europe concept of Karl Haushofer and Adolf Hitler, in an interview with the magazine *L'Italia*. Now, a member of his center, Livio Caputo, has been appointed by Foreign Minister Susanna Agnelli as Italy's representative to the European Union committee that is preparing the next conference on implementation of the Maastricht Treaty on European unity.

## New elections soon

With the prospect of early elections in May, the leftist bloc has already chosen technocrat Romano Prodi as its candidate for prime minister. Prodi is a product of the London School of Economics. In 1989 he was part of the team put together by Hungarian-born financier George Soros that produced, under the leadership of Harvard's "flea-market" economist Jeffrey Sachs, the "reform" plan for Russia known as the Shatalin Plan. Prodi is pushing for a scheme for western and eastern Europe comparable to the North American Free Trade Agreement (NAFTA), which is looting Mexico while driving down wages in the United States and Canada.

When he was chairman of the giant state conglomerate IRI in the 1980s, Prodi sold Alfa Romeo to FIAT owner Gianni Agnelli (whose sister is the current foreign minister) and the SME food industry to Carlo De Benedetti (the latter agreement was considered so scandalous, that it was nullified after a week). Under the government of Carlo Azeglio Ciampi, Prodi was again appointed IRI chairman, and sold two major banks, Banca Commerciale and Credito Italiano, to a coalition of Central European *fondi*, or family fortunes, allied to banker Enrico Cuccia.

Prodi profiles himself as a Christian with social concerns; his candidacy was conceived in part to split the Catholic vote away from the Popular Party (PPI, formerly the Christian Democracy) and the moderate bloc.

On another side of the political rainbow, the congress of the separatist Northern League, which ended in Milan on Feb. 12, manifested the deep crisis into which the party has fallen since its leader, Umberto Bossi, brought down the government of Silvio Berlusconi at the end of 1994, in favor of the leftist-supported Dini cabinet. The number-two man in the League, former Interior Minister Roberto Maroni, left the party, along with 53 Members of Parliament. Polls give the Northern League, which elected more than 100 representatives in the last elections, only 3% at present. Describing the climate at the congress, former Northern League ideologue Gianfranco Miglio (who left the League, joining the conservative bloc) characterized it as "a funeral like the ones celebrated in southern regions, where the corpse is not buried yet and the relatives are fighting over the inheritance."

Significantly, one guest speaker at the Northern League congress was Massimo D'Alema of the former communist PDS party. As for Bossi, he was reelected secretary general of the League, after all the dissidents were kicked out of the party.