

Italy's D'Alema Dumped by Euro Fanatics, Britannia Boys

by Claudio Celani

On April 17, Italian Premier Massimo D'Alema resigned in the aftermath of regional elections in which the government center-left coalition had a very poor showing. The coalition succeeded in preserving its strongholds in central Italy and some southern regions, but it lost the highly significant Lazio region around Rome, to the conservative bloc. Also, the conservatives, by taking the northern Italy's Liguria region away from the center-left, now controls the entire north, the productive belt of the country.

However, D'Alema did not resign because his coalition lost—the elections were only administrative and had no effect on the Parliament, on which the government is based. Rather, the government fell because of a conspiracy, one which stemmed from within the government's own ranks, and which had been plotted since the end of the Kosovo war. The main conflict in Italian politics, as elsewhere in the world, is not between left and right (a pretense imposed by the oligarchy), but between national forces and mercenaries, intersecting both the conservative and the progressive camps. The peculiar form this has taken in Italy, is a fight between supporters of a "partyless system," as the best system to fit a globalized economy, and defenders of the traditional, even if weakened, party system, as the irreplaceable model of citizens' representation. D'Alema, the first leader of the former Italian Communist Party to ever become Premier, had reestablished the balance in favor of the latter faction, after a long series of "partyless," mercenary technocratic governments which had ruled the country during 1992-98 (with the exception of the short-lived, improvised government of Silvio Berlusconi).

D'Alema had survived the first attempt by his government allies to torpedo him, at the end of last year, a move which he neutralized by anticipating his adversaries and resigning, only to get another mandate from President Carlo Azeglio Ciampi. Now, the defeat, allegedly foreshadowing a similar defeat in the general elections to take place in 11 months, was used as the pretext by D'Alema's adversaries to dump him, and to ostensibly look for a candidate better suited to defeat opposition leader Berlusconi.

Economic Policy Shift Needed

In reality, to swing popular support in favor of the government, the latter would need a radical shift in economic

policy, to produce immediate tangible results. Ironically, the man chosen to replace D'Alema is, if anything, going to worsen the center-left chances. The man who has been assigned for the job, is technocrat Giuliano Amato. "Cool Amato," as the London *Financial Times* labels him, or "Julian the Apostate," as his former friends call him. It was Amato who inaugurated the partyless technocrats who opened the Italian economy up to foreign looting, through financial liberalization and privatization. Under Amato's first government, in 1992, such a policy was massively undertaken as a result of decisions taken on board the British royal yacht *Britannia* on June 2, 1992, among other places, and under conditions of a well-orchestrated attack against the Italian currency, the lira, led by George Soros. That year, Amato implemented the harshest austerity program since the Roman Empire, consisting of over 90 trillion liras in budget cuts and tax and price increases.

Amato's career was launched by Socialist Party General Secretary, the late Bettino Craxi. When Craxi was targeted, and eventually eliminated, by the "Clean Hands" investigation, Amato jumped to the other side. Before dying, Craxi characterized Amato as "a professional on a contract," i.e., a mercenary. Another victim of the Clean Hands operation, former Milan Mayor Paolo Pillitteri, who had been close to Amato, said: "He is Julian the Apostate, the man . . . who can neither weep or laugh. I have long wondered whether he has a soul. I am sure that he has no heart. . . . He is like a computer. He works according to the software with which he is programmed."

Amato, after receiving the mandate from President Ciampi, declared that he will put together a "left-right" program. Leaks to the press indicate that he will work on a project to privatize the labor market. By the time you read this article, Amato will have presented his cabinet to Parliament and it will have been voted on. If it is not approved, Ciampi will probably dissolve Parliament and call for early elections, as desired by the opposition.

The Conspiracy

One reason why Ciampi, who headed the Central Bank under Amato's first government, would do anything to avoid early elections, is the psychodrama around the euro, the Euro-

pean single currency, which Italy has been a member of since it began in January 1999. The euro binds its members to promote “stability,” through strict fiscal and monetary discipline, in an environment of total liberalization of capital and labor markets. A prolonged period of political uncertainty is considered a threat to such stability. Already, the supranational “Euroland” government, Brussels’ European Commission (EC) and the European Central Bank, are extremely nervous because of the ostensible failure of the euro, which has depreciated 20% since its launch. Incapable of addressing the real causes for the crisis, i.e., the project itself, they are blaming countries which were not energetic enough with reforms, a typical case being Italy.

The D’Alema government was accused of not being rigorous enough in cutting the budget. Amato himself, before the regional elections, criticized the government (in which he was Finance Minister!) for “spending too much.” Moreover, D’Alema had attempted to get concessions from the EC, in order to finance some investments out of the state budget, especially in the chronically depressed Mezzogiorno region in southern Italy.

This was enough for the pro-euro oligarchy to signal that the time to dump D’Alema had come. At the same time, the opposition is considered a wild card. Although swearing allegiance to free-market and globalization policies, the “Polo della Libertà” includes strong “euro-skeptical” components, who could get their policies through, especially in the context of an unfolding international financial collapse.

Hence, another technocrat was deemed necessary.

The Anti-Free-Market Vote

The regional vote has indeed strengthened healthy factions inside the conservative bloc. For instance, the governorship of the Lazio region was won by Francesco Storace, from Alleanza Nazionale, who represents the current called the “Social Right,” out of which came the initiative in favor of a New Bretton Woods conference, both in the Italian and the European Parliaments (see *EIR*, March 7, 2000, p. 7). After being elected, Storace said that his number-one priority will be fighting unemployment, which in the Lazio region is officially 300,000. He also said that he will use all his powers to prevent a planned “Gay Pride Day,” from taking place in Rome, which is planned as a direct provocation against the Jubilee Year of the Catholic Church.

Also, incumbent governor of the Lombardy region, Roberto Formigoni (Forza Italia), was confirmed with more than the double votes of his opponent, decadent post-Christian Democrat Mino Martinazzoli. Lombardy is the most industrialized region, and Formigoni has publicly endorsed Lyndon LaRouche’s policies.

These examples are typical of forces which are now in a stronger position, and could carry forward the fight against free-market policies, using the opportunities offered by the collapsing international financial system.

The conservative bloc, however, has an intrinsic weakness: the conflicting interests inside the coalition. Besides the largest party, Forza Italia (representing middle-class voters and largely composed of former conservative Christian Democrats and Socialists), and the right-wing Alleanza Nazionale, the decisive swing factor in the recent vote was the (formerly) separatist Lega Nord (Northern League), which was invited to join the coalition after many years of marginalization from political life. Although the coalition leader, Berlusconi, a media magnate who entered politics in 1993, is avowing that the Lega has dumped its separatist demands, the common program includes promises of “devolution” reforms, to weaken the power of the central government. At the same time, the program calls for ambitious infrastructure projects, including in southern Italy, and for “executive” sort of legislative procedures in order to overcome environmentalist and other opposition to the projects. It is difficult to understand what is propaganda and what is not, especially because Berlusconi portrays himself as an “Italian Thatcher.” But, even admitting a strong component of Machiavellianism and hidden agendas, to lead such a conflicting coalition requires the capabilities of an Alexander the Great, which Berlusconi has not yet shown to have developed.

The Austria Treatment

However, the very possibility that Italy would be run by the conservative coalition next year has set off alarm bells in Euroland. In a clumsy move, a few weeks before the recent vote in Italy, German Chancellor Gerhard Schröder said, in an interview with the newspaper *Die Welt*, that the European Union should apply diplomatic sanctions against Italy if the conservative bloc comes to power. Schröder used the term “neo-fascists” to characterize coalition member Alleanza Nazionale, and compared it to the Freedom Party of Austria, led by populist Jörg Haider. Schröder was supported by EC President Prodi and by former NATO General Secretary Javier Solana, currently the EU “foreign minister.”

Now, after the regional election results, a wave of media hysteria has been unleashed in some European countries against the “Italian Haiders,” Berlusconi, Alleanza Nazionale leader Gianfranco Fini, and Lega Nord leader Umberto Bossi.

One might ask the real reason for such hysteria. Sanctions, like those against Austria, have proven to be counterproductive. They strengthen, rather than weaken, national support for those forces which are the targets of the sanctions. Given that European leaders are well aware of this, one might suspect that some of them are trying to find a way out of the euro catastrophe by fabricating issues which could jettison the whole project, while at the same time avoiding having to confess: “We made a mistake from the beginning.”

As in the case of Austria, a confrontation with Italy would force the issue of national sovereignty to be addressed publicly, with unpredictable consequences for all of Europe.