

italy

Carli-Colombo Barter Italian Working Class for Loans

August 22 (IPS) — Rockefeller's leading financial and political agents in Italy, Guido Carli, President of the Banca d'Italia, and Ugo La Malfa of the Republican Party, are presently using the leverage of Italy's massive foreign debt to turn over that country's reserves, in particular its stockpile of gold, to West Germany's central bank, in exchange for the right to introduce Brazilian forms of finance and investment policy south of the Alps.

On the Brink

As September approaches, and Italy's masses of enraged workers begin to return from the "ferragosto," Italy is on the verge of imminent financial and economic collapse. Credit lines from the European Economic Community are scheduled to dry up before mid-September unless renewed. According to Treasury Minister Colombo, levels of cash reserves have reached such depths that Italy "will need to petition again for international solidarity." Ugo La Malfa in an interview August 15 reportedly said that this time the Banca d'Italia alone cannot save Italy from a disaster in public spending.

In short, without a massive inflow of foreign funds, Italy will no longer be able to pay to import basic necessities.

In answer to that problem, Carli and Colombo are presently visiting cap in hand the only potential suppliers of the necessary funds in Europe, the Schmidt government in West Germany. Indications from the press suggest that, while Schmidt is scheduled to meet soon with Mariano Rumor, head of the present Italian center-left coalition, the current Carli-Colombo meetings were fixed up on short notice as a question of urgency. According to the Italian daily *La Stampa* (whose director is a member of the Rockefeller think tank the Tripartite Commission), West German Minister of Finance Apel returned hurriedly from his holidays in order to participate.

However, despite the urgency of this meeting, press coverage of the get-together, with the exception of the Italian press, has been both scanty and ambiguous. Apparently there are two sets of negotiations currently in progress, discussing two separate but related sources of funding for the ailing Italian economy. Carli is meeting

with Emminger, Deputy-Director of the Bundesbank, to discuss a substantial loan from the BRD to Italy. Reports suggest that the amount in question could be anywhere from \$2.5 billion to \$6 billion. Meanwhile, Colombo is in conference with his counterpart from the West German Finance Ministry, Hans Apel, negotiating an extension of the current line of credit of \$2.4 billion from the EEC to Italy, beyond its date of expiration in mid-September.

Conditions

It is not the size of these loans which is of greatest interest to the working class, but the political conditions which will be attached to their extension. *La Stampa* comments that Apel is expected to combine any loan with precise guarantees not of an exclusively economic and financial nature.

Thus far the major conditions under discussion appear to be that Italy drop its recent measures designed to ensure that deposits to the value of 50 per cent of imported goods be transferred to the Bank of Italy, and that the lira be subject to a massive devaluation, prior to its re-entry into the non-existent European currency snake. Such propositions are accompanied by talk of the necessity to adopt severe measures against inflation as the basis for a far-ranging "stability" program, even though Hans Apel indicated his satisfaction at the austerity measures already pushed through by Carli and company.

Bluntly, West Germany's social democratic government is insisting on measures that will only deepen the degradation of impoverished and depression-wracked Italian workers. Before he left for Bonn, Carli opened up discussion of the notorious indexing system, presently being activated in Brazil and Britain. Carli emphasized, however, that he was not talking about the Brazilian system which is too comprehensive, but is more interested in the British method. In other words, Carli is preparing to extend to Italy the British foot-in-the-door for the Brazilianization of Europe's working class — while the West German government, approving of the adoption of such measures in Italy, telegraphs its intention to introduce precisely the same kind of measures in the BRD, as that sector's economy rapidly deteriorates.