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## ITALY

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# Andreotti to forge a 'unity government'?

by Umberto Pascali

In a statement issued during the first week of March, the general secretary of the European Labor Party of Italy, Fiorella Operto, called on former Prime Minister Giulio Andreotti to come into the open to present a clear and concrete program of economic development for Italy. In 1976, Christian Democratic party leader Andreotti stepped into a crisis situation in Italy to establish a stable government of national unity.

Stressing the depth of political, economic and social crisis now prevailing in Italy, Operto pointed to the "heavy lira" reform proposed by Lyndon H. LaRouche in his book, *A 'Gaullist' Solution for Italy's Monetary Crisis*, as the type of measure required. LaRouche proposes a "heavy lira" currency reform aimed at immediately drying up Italy's huge black market, coupled with a package of tax and investment policies that would reward capital investment in high-technology industrial and agricultural infrastructure.

The Mezzogiorno, Italy's underdeveloped southern region, is exploding. In Naples, elements controlled by the Socialist Party and by the neofascist Movimento Sociale Italiano (MSI) succeeded in organizing strata of the population cruelly hit by the recent earthquake and launching them into violent riots.

The most important heavy industrial sectors—steel, chemicals, and construction—are drastically cutting back production and laying off while unions are being asked to accept cuts in the cost-of-living escalator and in social services.

Behind this destructive policy is the request advanced by one of the top spokesman of the old Venetian financial oligarchy, Luigi Visentini, to "privatize" the nation's central bank, the Banca d'Italia. Visentini, who is president of the Italian Republican Party, presented a proposal in parliament to reform the central bank statute so as to virtually eliminate the requirement that the bank serve the public interest. Already practically independent of control by the government and parliament, under Visentini's proposal the Banca d'Italia would become a private banking institution of the Venetian and Genoese oligarchy, but with extraordinary powers of financial investigation.

## Visentini's reform

Visentini and his allies have presented their attempted usurpation of financial power in the guise of a reform of the central bank. Recently, the leadership of the Banca d'Italia was accused of having made illegal allocations to the SIR chemical industry group, which is linked to Socialist Party leader Giacomo Mancini.

SIR president Rovelli was reported to have financed proterrorist groups, while a high officer of the bank was arrested for a short period, and bank governor Paolo Baffi was hit with an arrest warrant and suffered the suspension of his passport.

After this scandal, the Visentini group was joined by economists of the Socialist Party in a proposal to reform the central bank statute as follows. The bank leadership would be given the right to obtain any requested information on any industry or bank, but they would not be obliged to inform the competent authorities should they discover malfeasance. In other words, the central bank would *officially* be granted discretionary control over the entire Italian economy.

How the oligarchically controlled central bank would use its power is shown by its current policy of austerity, high interest rates and industrial triage. Treasury Minister Nino Andreatta cynically defends his drastic credit cuts by saying it was not he, but the Banca d'Italia that determined the policy. Presenting this stark situation, European Labor Party leader Fiorella Operto concluded her statement challenging former Christian Democratic Prime Minister Andreotti to issue a call for the re-establishment of a national unity government, similar to the one he led from 1976 to 1979. The starting point, she said, must be the convocation of a conference to discuss the plan for economic recovery with participation of representatives from industry, union leaders, the Christian Democratic Party and the Italian Communist Party. The Communist Party's influence over Italy's labor movement and its political power in many regions makes it an essential element of a unity government. Without an alliance between Andreotti and Communist Party head Berlinguer, Italy is, as the oligarchy claims, ungovernable.

European Labor Party leader Operto's appeal coincided with Andreotti's reemergence on the political scene after a long period of silence. In an interview with the leading Italian daily *Corriere della Sera* March 5, the former prime minister revealed that he has just finished a book on his experience as head of Italy's 1976-79 national unity government, which stresses the validity of that policy.

Commenting on the obstacles to re-establishing such an alliance, Andreotti said, "There is a 'knot' nobody can overlook: without an agreement with the opposition [PCI] none of the big problems can be solved."