

magistrates and law-enforcement agencies, the Bank of Italy usually comes up with the peculiar theory that they cannot reveal "confidential information," not even in the cases in which the bank investigated is positively found to be connected to mafia and drug money. One magistrate investigating the dirty-money recycling of certain Sicilian banks who was killed by the mafia, immediately after he had asked for information from the Bank of Italy!

### Central bank's counterattack

After one day of frantic consultations in Italy and abroad, Ciampi finally decided to present a legal brief to the magistracy and denounce the authors of the Letter, while ordering a violent media campaign against the "trade unions' insults."

But a trade-union official told *EIR*, "We have all the proof of what we have said and we are happy to go in front of a court to present our evidence." He added that the monitoring sector of the Bank is totally inadequate: "One of our demands is to make this sector really work."

In its media counterattack, the Bank has insinuated that that the unions must be "accomplices" in any wrongdoing; threatened that since the "The Bank of Italy is the only internationally credible institution," any effort to undermine proves the politicians are corrupt; and finally, "This attack does not come from the union, but from political groups, namely the Socialist Party and Prime Minister Bettino Craxi, who unsuccessfully had attempted a policy of low interest rates to favor an investment policy and increase his electoral base."

### Venice sends an SOS

On Feb. 13, the day after the Open Letter was published, in the sanctuary of the Venetian oligarchy, the Cini Foundation at the former Benedictine monastery in San Giorgio Maggiore island, an international conference took place. The issue? How to defend the "independence" of central banks in Italy, France, Germany, Great Britain and, above all, in the United States! It was a sort of SOS, organized by the Olivetti Foundation of Henry Kissinger's friend, Carlo De Benedetti. So, the illustrious professors gathered there to defend the sanctity of the central banks found out that the Bank of Italy had just been accused of being no less than a "criminal association."

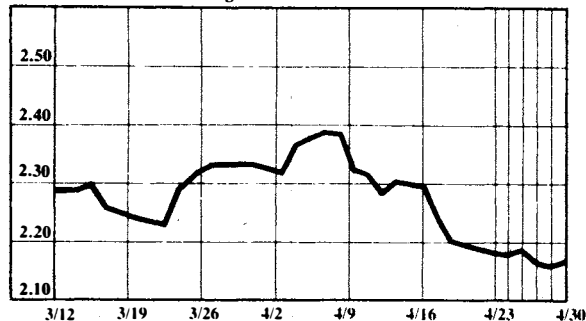
Interestingly, in the analysis of the U.S. Federal Reserve presented in Venice by Prof. Richard Sylla of North Carolina University, he stressed that "the independence of the Fed is real, but fragile. The independence can be compromised by government officials. . . . Besides, the independence can be put aside in periods of serious national emergency as showed by the two World Wars. . . . Where does the potential danger to the Fed's independence come from? In the U.S. situation the most effective way to attack the discretionary monetary policy of the central bank and its independence is to stress that the Fed has not always had a wise leadership."

If this is true, then not only Ciampi's position, but Volcker's, too, is quite "fragile."

## Currency Rates

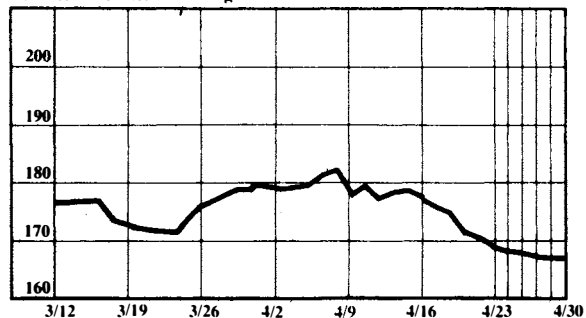
### The dollar in deutschemarks

New York late afternoon fixing



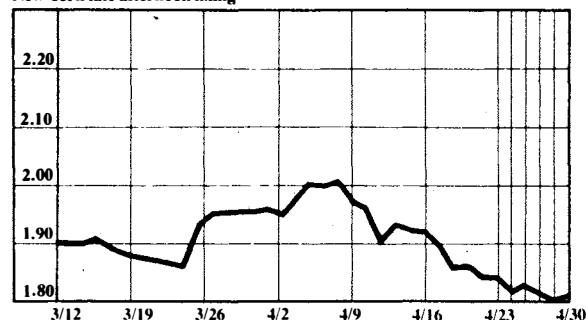
### The dollar in yen

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing

