

against Peru's military is neither incidental nor short-term. The leading policy objective of the Bush administration towards all Central and South America, is to reduce or eliminate outright the institution of the military. The premises of the U.S. anti-military policy were outlined in the book, *The Military and Democracy, the Future of Civil-Military Relations in Latin America*, published by Lexington Books in 1990 (See *EIR*, Jan. 11, 1991). *Military and Democracy* details how the ongoing anti-military project on Ibero-America, run out of American University and the Uruguayan Peitho Institute since 1986, has been financed, advised, and had logistics provided for it by four U.S. government agencies: the Agency for International Development, the State Department's Office of Policy Planning and Coordination for the Bureau of Inter-American Affairs, the Office of Democratic Initiatives of the U.S. Information Agency, and the secretary of the U.S. Army.

A leading adviser to the project is Henry Kissinger protégé Luigi Einaudi, the official who headed the State Department Office of Policy Planning for Latin America for two decades before being named George Bush's ambassador to the OAS, where he currently serves.

VI. The El Salvador model

The policy applied by the United States towards El Salvador over the past decade provides a useful model for understanding today's policy vis-à-vis Peru.

The policy of both the Reagan and Bush administrations was premised on ensuring that neither the government nor the military of El Salvador adopted a *war-winning* strategy against the narco-terrorist insurgency. Yes, the United States provided significant military aid to El Salvador, but always with the string attached that military operations be deployed solely as they furthered diplomatic efforts toward negotiations. The culmination of the policy was the late 1991 United Nations accord which brought the Farabundo Martí National Liberation Front (FMLN) into the government of El Salvador, while drastically reducing the national army and placing its officer corps under multinational control.

Now the fraud is being repeated in Peru. The Bush administration publicly calls for a "military" response to Shining Path, but only considers options ranging from escalating covert U.S. operations in Peru, to large-scale invasion by a U.S. or multinational force—*foreign* intervention which will only escalate the crisis.

Then, while pressing for U.S. intervention, the Bush administration raises the prospect of negotiations with Shining Path, while all the time attacking Peru's military establishment, under the guise of concern over "human rights violations" and corruption.

This combination alone—public signaling of U.S. willingness to negotiate and the continuous assault on the military—has already given Shining Path incalculable advantage on the battlefield.

The 'Italian anomaly' may not suit Bush

by Claudio Celani

While on the surface the general elections that took place in Italy on April 5-6 may seem to have brought "ungovernability" in the country, they may paradoxically have the opposite result: a government supported by an unprecedented broad majority in the Parliament, having therefore the needed strength to carry out radical economic reforms. Such reforms, however, may not exactly be the ones advocated by the International Monetary Fund.

The threat of separatism

The main picture emerging from the election is the impressive (though expected) vote for the separatist North League, which got nationally 8.7% (more than 10% if the vote of allied formations is added) and the record loss of the Christian Democratic Party (DC). The DC lost 4.6% from the last political elections, going from 34.3% to 29.7%. Another big loser is the former Communist Party, which split into two formations: PDS (Party of the Democratic Left) and the Stalinist "Communist Refoundation." The PDS got 16.1% and Refoundation an incredible 5.6%; together, however, the two lost almost 5% of the votes that went to the old Communists (26.6%). Another loser is the Socialist Party (PSI) of Bettino Craxi, the main ally of the DC in most governments since the early 1960s. Craxi's PSI was badly beaten in its stronghold, Milan, and went nationally from 14.3% to 13.6%. The other two small parties that supported the Andreotti government, Social Democrats and Liberals, did not change substantially, the former going from 3% to 2.7% and the latter even increasing from 2.1 to 2.8%. The neo-fascist MSI contained its losses (down to 5.4% from 5.9%) and the technocratic Republican Party won a minimal 0.7% despite an aggressive opposition campaign by its leader Giorgio La Malfa, over recent months. Probably the electors did not forget that the Republicans had been in the government for 44 years. Such a political earthquake, which has reduced the majority margin of the four-party coalition supporting the Andreotti government (DC, Social Democrats, Republicans, and Liberals) to an academic dozen votes, was not unexpected.

Months before the vote, opinion polls had projected the rise of North League to about 8-10% of the vote nationally. Calling themselves federalists, but running with a separatist-racist profile ("Northern Italy to the northerners"), the League swept the vote in the northern regions, some places more (the Veneto region), elsewhere less than expected (e.g., the city

of Brescia), becoming the largest party in big cities as Milan, Como, and Varese and the second largest in the Lombardy region, the most populated and richest of Italy. The League can be characterized as a phenomenon of mass psychosis: It promises "efficiency" against the "corruption" of central power, but its voters do not know that if applied, the League's economic recipe would smash everything still left working of the Italian economy and state.

In an interview, top League ideologue Gianfranco Miglio explained that Italy needs "a modern form of economic liberalism," and proposes for the country "great austerity" and "the end of dirigism." Citing the London *Economist's* support on the eve of the elections, Miglio is particularly proud of the fact that "economic policy circles in Britain have understood that the Christian Democratic system of power in Italy is at an end." The League's program coincides exactly with the International Monetary Fund's demand from the Italian government for a total cut of \$30 billion from the public budget, a tax increase, and a reduction of real wages. All this, in a country where public services like the health system are insufficient, the average taxes per capita are the highest in Europe and the payscale far below Germany's. A party like the Christian Democracy will refuse to implement such a program because that would mean destroying its own constituency. When it comes to privatizing public companies, even a loyal American asset like Bettino Craxi becomes an obstacle, as the PSI has "occupied" a piece of the state which it is unwilling to give away. Therefore the Anglo-American centers of power that want to force IMF therapy on Italy needed a "change": away with the old establishment, ahead with a new one.

The 'sfascist' front

It would be simplistic to state that the IMF played all its cards on the League. If the League took power now, it would be swept away by the very effects of its austerity program. As Miglio says, "in two years we will take power." The attack on Italy's institutions is being advanced by a broad front, of which the League is only a part. In the creative debate of Italian politics, such a front has even got a name: it is called *sfascisti* (meaning "wreckers," but very close to *fascisti*, in an intentional pun). Here is the map of the "sfascist front":

- Lombard League (a.k.a. North League);
- La Malfa's Republican Party, identified with "masonic, anti-Catholic finance circles";
- President Francesco Cossiga, who fed the protest vote by hardly letting a day pass without a public attack on the institutions and his own party, the DC;
- Former Palermo Mayor Leoluca Orlando, who split from the DC and founded an "anti-mafia" party called The Network, which contributed to the DC loss in the south;
- DC parliamentarian Mario Segni, son of the late Italian President, who is leading a multi-partisan technocratic movement called "referendum front";

- And, naturally, the greens, the media, the neo-fascists, the neo-Stalinists, etc.

In the "sfascist" front, the difference between the League and Cossiga is that the former wants to split the state into three parts, while the latter would like an authoritarian regime; Orlando wants a Jacobin regime and La Malfa wants the end of the political parties. Everybody agrees on one thing: Italy must undergo free trade "shock therapy." It is not exaggerated to state that the "sfascists" play a sort of living theater fight with each other, within very strict parameters set from the outside.

In this context, the expected electoral earthquake achieved only part of what the "sfascists" wanted. The fact that La Malfa, who had profiled himself as the only alternative to the "inefficiency" of the DC-dominated government, and the best candidate to carry out the IMF program, has not triumphed, has meant for him a real defeat and a setback for the Anglo-American plans.

The 'governissimo'

The April 6 vote leaves the Christian Democracy still arbiter of the situation and gives the Andreotti faction free rein to go ahead with the only possible formula that could give Italy a stable government: an alliance with the PDS. Something that was a taboo until the fall of the Berlin Wall, should have today no reason to be feared. Such an option was already operative months before the election, and it was called *il governissimo*. While DC, PSI, and Social Democracy alone would have the numbers for a solid coalition (almost 60%), DC leaders are trying to pull in as many allies as they can from the old coalition. Of course, it is not numbers that create stability; Christian Democratic leaders are clear about the fact that unless there is a dramatic economic upturn, Bossi's prediction of the League in power within two years will become true.

Prominent Christian Democrats around Giulio Andreotti are aware that a real recovery will be possible only if Italy takes back its sovereignty from the old Yalta system of power, and implements an economic program based on national interests. They recognize that only by getting rid of the usurious debt burden, can Italy finance a growth policy. Vittorio Sbardella, Andreotti's lieutenant who was reelected with more than 100,000 votes in Rome, told *EIR*, "We must solve the problem of the public debt with all means, including the most drastic. We must go in the direction of a freeze, a debt moratorium, domestically and internationally." Italy pays every month as much interest as the total wage bill for public employees.

The Anglo-Americans cannot prevent a *governissimo*; therefore they will try to sabotage it from the inside. A candidate to do the job could be Giovanni Spadolini, La Malfa's rival in the Republican Party. The day after the vote, Cossiga flew to Washington to meet Bush and surprisingly declared that he is now in favor of the *governissimo*. Cossiga sketched a profile for the next premier, that looks like the montage of Spadolini.