

Italy Moving On LaRouche's NBW? Candidate on National TV

by Paul Gallagher

Twenty-eight Italian Senators on May 13 moved a powerful resolution, even stronger than one the Chamber of Deputies has already passed, demanding the Italian government convene the "New Bretton Woods" monetary conference Lyndon LaRouche has campaigned for since 1997. The resolution (see *Documentation*) declares the International Monetary Fund (IMF) system bankrupt, and seeks a new global agreement among nations to pour credit into large-scale modern economic infrastructure and job creation to fight the worldwide depression. As the Senate move was made, Italian national TV broadcast an interview with LaRouche, strategically motivating a New Bretton Woods. Signs of worsening depression collapse were everywhere, pointing to an early disintegration of the bankrupt monetary system:

- All the formerly-industrial powers' economies contracted from January to March, despite U.S. statistical fakery; all have lost production and employment, month after month, since last November;

- The G-7 countries, "led" by the United States, are suffering sickening plunges in government revenue. The U.S. Federal government is experiencing a staggering 20-25% fall in personal and corporate tax revenues over the past two years, will run a \$500 billion one-year deficit, and is quickly raising its Federal debt ceiling by nearly \$1 trillion;

- The U.S. dollar's sudden 20%-plus slide is becoming a meltdown, striking down America as "the global importer" and battering economies all over the world;

- Japan on May 19 had to precipitously bail out its fifth-largest bank with \$17 billion, and Bank of Japan Governor Toshihiko Fukui warned that "without appropriate policy measures, a financial crisis could possibly happen." The IMF held a secret finance ministers' meeting May 17 on global "banking system fragility";

- The leading Russian economic news agency RBC reported, also on May 19, that the Russian Central Bank "fears another default" like the GKO government bond default that shocked world markets in 1998, but this time due to exploding international debt of Russian companies.

Focus on Italian Action in Collapse

Senator Oskar Peterlini's May 13 initiative once again put Italy in the forefront of the fight against world economic disaster, just as it was last September, when the Italian Chamber of Deputies, on a bipartisan vote, passed a similar resolution for a New Bretton Woods. That passage occurred after a floor debate in which LaRouche's leadership in forging an alternative to global economic collapse was explicitly cited.

The Chamber unanimously approved a modified version of the motion, which called on the Italian government to work for a *new international financial architecture* in order to avoid the disastrous effects of the speculative bubble and major financial crises. Compared to the original, the approved text did not include direct condemnation of the policies of the International Monetary Fund.

The new Senate motion—written in collaboration with Paolo Raimondi, president of the International Civil Rights Movement Solidarity, the LaRouche movement in Italy—singles out the policies of the IMF and Alan Greenspan's U.S. Federal Reserve as responsible for prolonging and worsening the global economic and financial crisis.

In April, Senators Peterlini and Patrizia Toia organized a meeting at the Senate with LaRouche, in which the U.S. Presidential pre-candidate told a group of Senators and Deputies that the best way to combat the neo-imperial policies coming from the Bush Administration, is to work for a change in economic policy in Europe, in favor of the Eurasian Land-

Bridge perspective. LaRouche said that such a shift, which would be premised on the New Bretton Woods reorganization called for in the Senate motion, would represent a strategic shift capable of reversing the current global economic breakdown crisis. Peterlini then announced that he intended to introduce a new motion, as there had been a grave worsening in the world situation. In addition, the Senate, unlike the Chamber of Deputies, had not until now held a discussion and vote on the initiative.

The motion signals the Italian government, and other major governments of the world, that Italian institutions are not willing to sit idly by while the economic crisis continues to worsen. The policies capable of reversing the situation are on the table, and as the motion says, they must be *at the center of the debate*. At present, the Italian government has not publicly moved in this direction, although over the past year there has been an increasingly serious movement to dump the budget-cutting criteria of the European Union's Maastricht Treaty agreements, and re-establish mechanisms for long-term credit creation in order to finance major infrastructure projects.

The degree to which there is a national focus on what to do about the hopelessly bankrupt IMF system, and on LaRouche's leadership, was underscored on the morning of May 21, when Italy's first TV station, Raiuno, aired a 45-minute documentary entitled "Anatomy of a Collapse," which featured the economic analysis and reconstruction programs of LaRouche, as well as a critique of the Bush Administration war policy. Raiuno's coverage was based on an interview done in January 2003 with LaRouche, whom they identified as a world-renowned economist; a man on whom many try to stick colorful labels, but who is the author of the sharpest analysis so far, of the financial collapse.

LaRouche on TV Calls Eurasia the Center

The Italian television coverage of LaRouche's role as a leading economist, represents a breakthrough in international press coverage of his work. The enormous credibility which LaRouche has internationally, and in the United States, has remained primarily behind the scenes, due to pressure from his enemies. This situation now seems poised to change.

In the 45-minute TV documentary, which is expected to be rebroadcast within a few weeks, LaRouche was shown speaking at length on the questions of Sept. 11, Cheney and



Organizing across Europe on the heels of the Italian Senate resolution for a new monetary system, LaRouche Youth Movement activists in Paris announce, "The global crisis demands fast action for a New Bretton Woods."

Rumsfeld, the origins of the financial-economic crisis, and the solution. Asked for another of his "famous economic forecasts," LaRouche answered: "There are two possibilities, and we must choose. There is nothing pre-determined; it is a choice. In Asia, Eurasia, there is a quite interesting development: China, Russia, Southeast Asia, India, Korea, and Japan are oriented towards a convergence, on a greater expansion represented by what China has done with the Three Gorges Dam or with the maglev connection between the Shanghai Airport and the city of Shanghai, and similar projects, the Mekong development projects, etc. . . . This is the largest market in the world; Europe is now bankrupt. To escape a hopeless bankruptcy of the euro system, countries such as France, Germany, and Italy need larger markets. In the long term, these larger markets can be found in India, China, Southeast Asia, etc., which are already important markets for Europe. Russia will play a role, as economic partner of Western Europe, through the reorganization of the Russian debt, which can be transformed into credit for industry and joint ventures between Russia and Europe.

"Given these circumstances, the world can come out of the depression, on the condition, however, that there is the capacity to create a new monetary system, able to manage the problems, through long-term, 25- to 50-year investments, through technology-sharing operations rather than technology export.

"If the United States," LaRouche said, "decides to reach an agreement with Europe and Asia, collaborating with Asia

and Europe, freeing Africa from genocide, reconstructing Central and South America and similar things . . . we will be able to come out of the impasse, and within one generation we could count on one of the most solid economies the world has ever seen. If we do not do that, if we try to collect debts, like the Lombard bankers did in the 14th Century, then we will sink in a new dark age. That is the situation.”

Documentation

Italian Senate's New Bretton Woods Motion

On May 13, Senator Oskar Peterlini introduced a new motion into the Italian Senate demanding that the Italian government campaign for a New Bretton Woods conference. Senator Peterlini took a similar action last year during the explosion of the Argentinian crisis. That motion was not debated in the Senate, but a similar resolution was debated and passed by Italy's other house of Parliament, the Chamber of Deputies, on Sept. 25, 2002.

The new motion has been cosigned by 28 other Senators from most opposition and some government coalition parties. They include: Giulio Andreotti, former Prime Minister of Italy and main leader of the Christian Democratic party for the entire postwar period; Patrizia Toia, vice president of the Senate Human Rights Committee and former government minister for relations with Parliament; and Cesare Salvi, vice president of the Senate and former Labor Minister.

The text, from the Parliament's Gazzetta Ufficiale:

Peterlini, Andreotti, Baio Dossi, Bedin, Betta, Borea, Cambursano, Carrara, Cavallaro, Dalla Chiesa, Dato, De Paoli, Dentamaro, Dettori, Gaglione, Gubert, Liguori, Longhi, Malabarba, Marino, Michelini, Ruvolo, Salerno, Salvi, Salzano, Scalera, Togni, Toia, Zancan:

The Senate, considering that:

The crescendo of international financial and banking crises beginning in 1997 with the crises in Asia, Russia, and Latin America, up to the more recent crash of the New Economy in the United States, to the gigantic Japanese banking crisis currently under way, the bankruptcy of Argentina and the imminent crash of the international real estate bubble, is creating a great deal of concern among populations, leadership, companies, and families with savings, since this is not a series of isolated situations but rather the manifestation of a crisis of the entire financial system which is characterized by a speculative bubble which is out of control;

This financial bubble (which includes derivatives, all types of debts and financial titles) has reached the level of \$400 trillion (\$140 trillion of which is in the U.S.A. alone), compared to a world GDP of about \$40 trillion, and this gap has been increasing particularly in recent years);

The effects of this crisis in the so-called developing countries have already been devastating, and the perspectives for the future are even worse, as demonstrated by the social-productive breakdown in Argentina, a situation which risks being repeated in many other countries on the Latin American continent, while Africa has been completely abandoned to herself and is the victim of new forms of colonialism. The International Monetary Fund (IMF) has contributed heavily to the worsening of the crisis in these countries through a policy of high interest rates and budget cuts in productive investments which has severely undermined the domestic output of the real economic production of these countries;

In the advanced industrial sector, the speculative bubble and the financial crises have undermined the structures of the real economy. . . . Society has been polarized in such a manner that wealth has been concentrated more and more in the hands of the few, leaving the rest of the people in worsening poverty. This tendency is clearly manifested in the U.S.A. (and Europe is following the same tendency) where 20% of the population has more than 50% of the income, with clearly negative effects for the remaining 80% . . . ;

The intervention of the central banks through only monetary policy—exemplified by the actions of the American Federal Reserve, which in the past months has reduced interest rates 13 times—has produced no positive effect on investment policy, but has simply served to refinance the financial bubble. . . . The consequences of the financial crisis on the real economies of the so-called advanced nations are evident and measurable in terms of reduction of employment, collapse of real production, a slowdown in leading sectors such as machine-tools, in the physical exhaustion of basic economic infrastructure, and in the dramatic reduction in fiscal revenues which then generates budget cuts which produce a further negative spiral;

The consequences of the crash, which are not only economic but also political and potentially military, are so serious that they demand that democratic political forces place this global economic crisis and the solutions to it at the center of strategic discussions, including in order to propose new policies of development and cooperation as an alternative to clashes of civilization, wars and international tensions;

Commits the Government:

To take the initiative to continue, in the competent international fora, the activity of study and proposition of a new, regulated financial architecture, capable of avoiding speculative bubbles and sustaining the real economy;

To undertake, in particular, the initiative to propose a

new international conference at the level of Heads of State, of Governments and of Parliaments, like the one organized in 1944 at Bretton Woods, with the aim of creating a new international monetary system and defining those measures necessary to eliminate the mechanisms which have led to the formation of the speculative bubble and to the systemic financial crash, and to implement programs of reconstruction of the world economy based on large infrastructure projects of continental dimensions and on investments in the real economy, to increase the effective productivity of the economic system.

Chronology of the Fight For a New Bretton Woods

Feb. 15, 1997: LaRouche keynotes a Schiller Institute conference “Toward a New Bretton Woods,” in greater Washington, D.C. He calls on the audience to forge the preconditions that would enable President Clinton to convene, with other leading heads of state, a New Bretton Woods conference to create a new, stable, global monetary system to replace the bankrupt International Monetary Fund system.

Feb. 15-17, 1997: An “Urgent Appeal to President Clinton To Convoke a New Bretton Woods Conference” is initiated by the founder of the Schiller Institute, Helga Zepp-LaRouche, and Ukrainian economist Dr. Natalia Vitrenko, a member of the Supreme Rada (Parliament). The text is circulated worldwide for endorsement by public figures.

April 10, 1997: Lyndon and Helga LaRouche are the keynote speakers at a conference organized in Rome by *EIR* and LaRouche’s Italian co-thinkers, the Civil Rights-Solidarity Movement. LaRouche’s proposal for a New Bretton Woods is supported by Sen. Publio Fiori and by representatives of Italy’s state-sector industries.

April 2, 1998: Lyndon and Helga LaRouche address a meeting in Rome on the New Bretton Woods, attended by members of both chambers of Parliament, economists, journalists, and diplomats.

April 7, 1998: Italian Prime Minister Romano Prodi replies to an *EIR* question: “I personally believe that we must move toward a new Bretton Woods.”

March 11, 1999: Helga Zepp-LaRouche addresses a Rome conference on the need for Italy to join the “Survivors Club” and work to establish a New Bretton Woods and build the Eurasian Land-Bridge.

Feb. 16, 2000: Italian Sen. Riccardo Pedrizzi and 22 Senators from the opposition parties of the “Polo della Libertà” coalition introduce a first motion to the Senate, calling for a New Bretton Woods.

March 7, 2000: Four Italian Members of the European Parliament in Strasbourg, France introduce a resolution call-

ing for a New Bretton Woods conference, “with the purpose of creating a new international monetary system, capable of gradually eliminating the mechanisms which led to the ‘speculative bubble.’ ”

April 7, 2000: A call for an Ad Hoc Committee for a New Bretton Woods is issued, and circulated worldwide for endorsement. The statement includes the text of the European Parliament resolution, with the following introduction: “The governments of the G-7 nations have repeatedly demonstrated their unwillingness and inability to prevent the threatened collapse of the global financial system, through a prompt, and thorough reorganization of the system. . . . We, the signators, refer to Lyndon LaRouche, as the economist, worldwide, who has analyzed the causes of the systemic crisis in greatest depth, and over the longest time, and who, at the same time, has elaborated a comprehensive package of measures to be taken to overcome it: the anti-crisis program for a New Bretton Woods.”

Over the next year, the statement is signed by former President José López Portillo of Mexico and former President João Baptista Figueiredo of Brazil; more than 500 parliamentarians from some 40 or more countries; and several hundred civil rights leaders, trade unionists, industrialists, and representatives of social organizations.

July 23, 2000: Lyndon LaRouche speaks on the New Bretton Woods in the Cenacolo Hall of the Italian Chamber of Deputies in Rome. His sponsor, Dep. Giovanni Bianchi (Partito Popolare Italiano), is the promoter of the legal decree, later approved unanimously by both Chambers of the Parliament, by which Italy has granted debt moratorium for the developing countries.

Oct. 12, 2000: LaRouche addresses an informal hearing of the Foreign Affairs Committee of the Italian Chamber of Deputies in Rome.

Oct. 19, 2000: Sen. Riccardo Pedrizzi and 24 Senators of several parties, from both the opposition and the government coalition, present a second motion to the Senate, calling for a New Bretton Woods. The next day, the same motion is presented to the Interparliamentarian Group for the Jubilee 2000, the main organizer of the Assembly of the Members of the Parliaments of the World, held in Rome on Nov. 4-5.

Feb. 26, 2002: Nine Italian Senators introduce a motion calling for a New Bretton Woods conference, citing the crisis in Argentina in particular: “The monetarist policy of the IMF toward the so-called developing countries such as Argentina has been directly responsible for the worsening of the situation in those countries, to the point of bankruptcy.”

July 3-5, 2002: Lyndon LaRouche visits Italy, speaking at three events promoted by the Italy-Russia Chamber of Commerce, the Chamber of Commerce of Vicenza, and the Milan-based Association for the Development of Banking and the Stock Market Studies.

Sept. 25, 2002: The Italian Chamber of Deputies adopts a motion for a new international monetary system.