

by a near total loss of political and economic sovereignty.

Support for an alternative has grown thanks to the initiatives taken by the LaRouche movement in Italy. LaRouche and his wife Helga Zepp-LaRouche have visited Italy repeatedly in recent years, and urged Parliamentarians and other institutional figures to help Italy recapture its role as a force for economic development and international cooperation. In particular, the Italian government has begun to play an important role in improving relations with Iran, Russia, and China.

The first signer of the motion is Sen. Riccardo Pedrizzi, deputy chairman of the AN Senate group, secretary of the Senate Finance Committee, and a member of the executive of the "Parliamentary Group for the Jubilee 2000." The other ten signers, Antonio Battaglia, Piero Pellicini, Giuseppe Valentino, Vito Cusimano, Francesco Servello, Mario Palombo, Francesco Bevilacqua, Italo Marri, Michele Florino, and Vincenzo Demasi, are all members of various Senate Committees for Industry, Scientific Research, Agriculture, Defense, and Education.

Senator Pedrizzi has written other Senators, particularly those of other political parties, calling on them to sign the motion as an expression of concern for national interest.

Within only a few hours of his call, six new Senators cosigned the motion: Luigi Manfredi (Forza Italia, FI), Euprepio Curto (AN), Ettore Bucciario (AN), Vincenzo Mungari (FI), Marco Tonioli (FI), and Rosario Giorgio Costa (FI-CDU).

A discussion is under way among deputies of different political orientations to take a similar initiative in the Chamber of Deputies. This could lead to the creation of a coalition of national-interest forces from all sides of the political spectrum, in opposition to the liberal factions in those same groupings. Other political leaders are planning to open a discussion on a new Bretton Woods conference in regional parliaments and in the most important Italian cities, such as Milan.

Documentation

The Italian Senate motion:

It is the view of the Italian Senate:

That, starting in 1997, the financial crises in Asia, Latin America, and Russia, and the collapse of the largest hedge fund, LTCM, did not represent isolated or accidental cases, but were, rather, manifestations of a crisis of the entire international financial and monetary system, which has often gone

What is a New Bretton Woods financial system?

The original Bretton Woods system came into being at a conference of 44 nations beginning on July 1, 1944, in Bretton Woods, New Hampshire, convened on the initiative of U.S. President Franklin D. Roosevelt. On July 22, the group agreed to create an International Monetary Fund (IMF) and a Bank for Reconstruction and Development, later known as the World Bank. The main purpose of these institutions was to deal with the economic problems of the European countries that had been devastated by war. They began to function in early 1945, as World War II was nearing its end.¹

The core of the new system was the arrangement for fixed currency parities, which would make it possible to revive world trade. The value of the dollar was pegged to a specific weight of gold, and, until the end of the 1960s, it functioned as the accepted substitute for gold. Exchange rates of other currencies were to be changed in relation to the dollar or gold, only as a measure of last resort, after national policy measures had been exhausted. Long-term investment and trade could thus be undertaken on a stable currency background, and risk of dramatic currency losses

1. See William Engdahl, "What the Bretton Woods System Really Was Designed To Do," *EIR*, Aug. 15, 1997.

and speculation was nonexistent at that time.

From the beginning, however, there were clashes between the "free-trade" colonial policies of the British delegation, and the concepts of President Roosevelt, who had told Britain's Sir Winston Churchill as early as 1941 that the United States was not going to fight the war in order to restore Britain's empire. After Roosevelt's death, unfortunately, his understanding of postwar economic policy was abandoned by successive Presidents (with the exception of John F. Kennedy), and the IMF and World Bank increasingly came to play the role of instruments of neo-colonial looting, on behalf of the British-based financier oligarchy. When President Nixon took the dollar off its gold backing in 1971, the Bretton Woods system became defunct.

In calling for a New Bretton Woods, Lyndon H. LaRouche, Jr. has specified steps that must be taken today:

1. Governments must not attempt to bail out the speculators, but rather, protect people, productive enterprise, and useful trade in hard commodities and science-related services.

2. The credit and issued public Treasury debt of national governments must be protected at all costs.

3. There must be no mass evictions, or breaks in continuity of operations of essential production and distribution of goods and essential services.

4. A global recovery program must be adopted to foster immediate recovery in world hard-commodity trade. The core of such a program is the Eurasian Land-Bridge.