

Amato then says that he has for years attended meetings of the Policy Network, the European Blairite grouping, which has already criticized globalization without governance, i.e., they are calling for a one-world government.

Another leading member of the British Party, economist Francesco Giavazzi, who regularly argues the line of the “markets” in the daily *Corriere della Sera*, went the other way: praising “Helicopter Ben” Bernanke’s “wall of money” policy. “Last Sunday, the Fed has ensured the whole mortgage stock in Bear Stearns. This is responsible capitalism, not the end of capitalism as somebody wants to interpret it”; Giavazzi wrote March 21.

Giavazzi is a leading representative of those whom Tremonti has called “*folli illuminati*” (mad Illuminati) playing with the double meaning of the word: both enlightened but also the name of the famous 19th-Century freemasonic lodge. He has also called them “furious Templars.”

The Privatization Test

The debate over the New Bretton Woods is already having an effect on some of the most important choices which the current government is supposed to take, like the privatization of the national airline company, Alitalia. Alitalia is on the verge of bankruptcy because of the wrong strategic choices made in the past, for instance, to move out of intercontinental routes and compete on short routes with low-cost companies like Ryanair; or, building a second national hub in the new Malpensa airport, on the outskirts of Milan, while continuing to maintain operations at the old Linate airport in the city. Without going too much into the reasons for such wrong choices, suffice it to say, that the Prodi government had decided that Alitalia can be saved from bankruptcy only through privatization, and has mandated the Alitalia board to open negotiations for a takeover by Air France.

However, when Air France presented its bid, on March 11, it was clear that this was a total sellout, aimed at the elimination of Alitalia as a competitor. Air France offered 10 cents per share, and, an exchange of one Air France share for 160 Alitalia shares. Moreover, they presented a plan to shutdown the cargo section, which is operated out of Malpensa, cut all routes to China and India, and reduce Alitalia to a regional airliner based in Rome.

Faced with the outrageous character of the bid, in the context of the electoral debate dominated by the issues raised by Tremonti, the government decided that, had it accepted the bid, it would be mean a devastating electoral defeat. At the same time, the would-be privatizers could not call off the deal with the French airline, or they would probably have faced penalties; thus, they decided that the last word should come from the trade unions, who had already announced that Air France’s offer is unacceptable, especially because of the planned layoffs.

Most probably, no decision will be taken until the elec-

tions, and until a new government is formed. This might take until the end of April; at that point, Alitalia will be the test whether there is a policy shift.

The Time Is Ripe

The outbreak of the debate in Italy over LaRouche’s New Bretton Woods proposal represents the fruition of a process dating back to 2001, when the LaRouche movement there organized a number of political leaders to raise the issue of a new international monetary system in the parliament. Italian members of parliament, were, in part, reacting to the Argentine debt crisis of 2001, and the bankruptcy, in 2003, of the multinational company Parmalat, based in Italy, which brought the disastrous effects of speculative financial policies very close to home. By 2005, the Chamber of Deputies approved a motion for “a new and more just international financial system,” with the objective of “preventing financial crashes and supporting the real economy.” Although, at that time, the government refused to act on the parliamentary initiative, and the discussion of the New Bretton Woods was shelved, the explosion of the global crisis, since July 2007, has placed it, once again, at the top of the agenda.

Interview: Alfonso Gianni

‘I Like LaRouche’s HBPA’: It Puts Citizens First

Alfonso Gianni is Undersecretary for Economic Development in the outgoing Prodi government in Italy. Gianni, who represents the “Rainbow Left” is among the signers of the New Bretton Woods resolution, introduced in the Italian Chamber of Deputies in 2005. He gave this interview to Liliana Gorini of the Italian Movimento Solidarietà on March 20.



gruppi.camera.it

EIR: In your article appearing today in the daily *Libera-zione*, you comment on Giulio Tremonti’s statements in favor of a New Bretton Woods. How do you view the debate on this issue in Italy?

Gianni: It is a discussion which is becoming very interesting. The fundamental reason is that there is a growing ac-

knowledge of the fact that the world order created by capitalist globalization has entered a deep crisis, causing an economic and political problem, and that if we continue down this road, we will have a crisis of unprecedented proportions, with a danger of war and aggression among states. I believe we live in a transitional period. The center of the world capitalist and productive system is moving from the United States to East Asian countries, and this is the cause of a great deal of turmoil. Now, if we want to ensure that this situation does not provoke a new war, both in strict military terms and in economic terms, meaning a bitter trade war with disastrous effects for everyone, we have to identify new instruments of “governance.”

This is the basis of the strength of LaRouche’s proposal for a new global conference on currencies, and the reason we have always considered the proposal valuable and supported it, including the idea of an international currency, such as in the vision of the great [John Maynard] Keynes. Such a system would be able to root out the possibility of savage speculation of a purely monetary nature. This wouldn’t be the only problem, of course, but a New Bretton Woods would be of great assistance in solving the problems in today’s world.

EIR: LaRouche’s Homeowners and Bank Protection Act (HBPA), which provides for a moratorium on foreclosures in the context of such a New Bretton Woods, is presently being discussed and approved in many city councils and state legislatures, such as in Pennsylvania, and some aspects of LaRouche’s proposal [for a moratorium on foreclosures] have been picked up by Hillary Clinton. What do you think about the proposed legislation, and do you think such a proposal would also be possible in Italy?

Gianni: Despite the fact that I support Obama and not

Clinton, which is something I wanted to say, I like LaRouche’s HBPA proposal a lot (as I told him when he came to Rome), because it contains a principle which goes in the opposite direction of the current tendency: the principle is that the State should not worry about bailing out banks when they enter a liquidity crisis, but rather should support citizens who have problems of insolvency, and that turns the perspective around, putting the citizen back at the center, and of course, I like this a lot.

Furthermore, as I had the chance to tell LaRouche at a conference in Italy, it is not possible to adopt legislation in Italy which is identical, but we have to make the effort, and we shall have the opportunity with the new Parliament, in a non-partisan way I hope, to work on a legislative proposal which takes into account the specific features of the Italian situation (mainly the almost totally private banking system), but adopts the same principle: that citizens come first, and that the insolvency of citizens is a social problem and not an individual problem. This means enacting a moratorium on foreclosures, reducing mortgage payments, freezing them for a certain period of time, or doing whatever is needed to ensure that a citizen who took out a mortgage and then saw it increase through no fault of his own, but maybe because of a decision by the European Central Bank he is unable to influence, is not reduced to poverty or loses his flat.

In Italy, this should clearly be accompanied by a program of increased construction of public housing, and lower rents, because buying a house imposes an enormous limitation on the mobility of those who may find work elsewhere; they are often unable to afford a house in the new location, thus give up their jobs and stay where they are, rather than paying very high rents, which is absurd and damages the Italian economic system.

Gianni: Replace Maastricht With a New Bretton Woods

*In an article published March 20 by the Italian daily *Liberazione*, under the headline “An Epochal Crisis,” Alfonso Gianni writes:*

Now, it is clearer than ever ... that it is necessary to contrast the international monetary disorder, by re-proposing a system of agreements to be at the level of what the Bretton Woods was for the world coming out of the [Second World] War. And I would really advise that we not wait for a new world war, to start that. ... This crisis questions the process of world capital financialization from both the economic standpoint and from the standpoint of the free-market and mone-

tarist theories that accompanied it at the political level.

Some ... call it “the derivatives revolution.” It was the introduction, on the financial markets, starting 1979, of these new financial products, derivatives.... The result was a volatility of the system, constantly exposed to risks, which central banks are often unable to face in time and with success.... Nothing more than derivatives represents the level reached by world finance presently. And when this process of abstraction [from the real economy—ed.] reaches its extreme limit, and assets are lacking any value, the castle collapses. This is what we have been watching since August [2007]....

The ridiculous boundaries on the budget imposed by Maastricht do not change.... Now, while we are discussing ratifying the Lisbon Treaty, it has never been more necessary to re-discuss the monetarist basis on which Europe is founded.