

III. Central Banks' 'Regime Change'

New Prime Minister Mario Draghi Plans 'Great Reset' Destruction of Italy

by Claudio Celani

Feb. 15—One step towards the implementation of a “regime change in monetary affairs,” as discussed at the central bankers’ meeting in Jackson Hole, Wyoming on August 22, 2019, has now been implemented with the creation of the new Italian government. On Saturday, February 13, Mario Draghi, former President of the European Central Bank and a former Director of Goldman Sachs International, was sworn in as the new Italian Prime Minister. He immediately announced his team of ministers, stuffed with bankers and technocrats in the key posts, ready to implement “Great Reset” policies, as explained by Draghi himself. “This will be an Environmentalist government,” Draghi said at the onset of the first cabinet meeting.

Draghi’s agenda, welcomed by a riot of excitement by European Union (EU) leaders and bureaucrats in Brussels, Frankfurt and Paris, as well as by the mainstream media, aims at implementing a Schachtian policy of public spending and incentives, aimed at favoring “decarbonization” of the economy. In other words, using “creative destruction” methods and implementing a triage of the physical economy—already battered by the economic consequences of the pandemic—Draghi will make sure that only those companies that are “sustainable” in a carbon-free economy will survive, and the rest should die.

Draghi explained this in the presentation of the 2020 [report](#) of the Group of Thirty (G30), titled “Reviving and Restructuring the Corporate Sector Post-Covid: Designing Public Policy Interventions,” which he had chaired last December. (The G30 is a gathering of former and current central bankers, together with members of the academic and private banking sectors. Mario Draghi’s membership of the G30 was seen as a conflict of interest with his job then as a European central banker by the EU ombudsman, who asked him to [resign](#)



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Mario Draghi, Italy's new Prime Minister: ready to implement the central bankers' 'Great Reset' policies.

from that group in 2018. Draghi did not resign. He presented the 2020 report on December 14, 2020.

The concept of “creative destruction” is the *leit-motif* of the report, and Mario Draghi himself stressed it in his presentation. The world economy is on the edge of a cliff, Draghi said. Whereas in the first phase of the pandemic crisis the problem was liquidity, the coming crisis will be over insolvencies. Governments won’t be able to bail out all activities and therefore they must choose who should live and who should die.

“This may require a certain amount of ‘creative destruction,’” the report says, referring to the concept credited to Joseph Schumpeter, according to which “market laws” demand that companies not fit to survive in the struggle for economic evolution, must die in order to give place to more competitive ones. In reality, the man who first promoted the concept of “creative

destruction” was a Marxist-turned-Nazi named Werner Sombart (1863-1941). Sombart correctly credited Friedrich Nietzsche with the origin of the term, and the concept, of creative destruction, and passed it along to Schumpeter.

Sombart, who was denounced by Rosa Luxemburg as a one-time Marxist who became an apologist for German imperialism, was a close friend of both Hitler’s “Crown Jurist” Carl Schmitt and the Nazi Party’s semi-official philosopher, Martin Heidegger. (See the [article](#), “Nietzsche, Sombart, Schumpeter, and Fascism: Why Obama Wears the Moustache,” by Jeffrey Steinberg, Michele Steinberg, and Nina Ogden, in *EIR*, August 27, 2010.)

The term “creative destruction” appears six times in the G30 report. Here is a quote:

Attitudes toward firm failure and employment: Policymakers will vary in their weighting of preserving the status quo and existing jobs, versus allowing or encouraging the process of “creative destruction,” in which firms fail, allowing jobs and resources to flow from unsuccessful firms to ones that are better suited for the new economy....

The “new economy” that firms should be suited for is the one whose blueprint has been laid out in the Great Reset scheme promoted by the British Crown and the World Economic Forum, or the Green Deal pushed by the EU Commission, or the Green New Deal pushed by U.S. President Joe Biden’s team. As *EIR* has repeatedly explained, this will promote unproductive systems under the ideological banner of “climate policies,” euthanizing high-density, carbon-related modes of production.

A Collection of Hitmen

Draghi picked up a team of trusted hitmen for the job. As Italy’s Finance Minister, he chose another central bank official, Daniele Franco, currently Senior



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Enrico Giovannini, another climate-change fanatic, will be Minister of Infrastructure and Transportation under Draghi.

Deputy Governor of the Bank of Italy. As Minister for Technological Innovation and Digital Transition, he chose Vittorio Colao, a former Morgan Stanley investment banker and former Vodafone Italia CEO, who lives with his family in London.

The main innovation, however is the creation of the “Ministry for Ecological Transition, Environment and Recovery Plan,” which is supposed to include energy policy and oversee so-called Green investments, which are supposed to be co-financed by the EU Resiliency and Reconstruction Plan. Heading the new ministry is Roberto Cingolani, a nanotechnologist who is currently Chief Technology and Innovation Officer at the defense industry multinational, Leonardo S.p.A. Cingolani is a supporter of the climate-change

ideology and has called, among other things, for reducing production and consumption of meat to avoid cow-flatulence-induced global warming.

Another key post for the Recovery Plan, Minister of Infrastructure and Transportation, went to another climate-change fanatic, Enrico Giovannini, a statistician and former minister who accompanied Swedish child activist Greta Thunberg to Rome in April 2019, introducing her as a lecturer in the Italian Senate. Giovannini is a member of the Malthusian Club of Rome and has co-authored a Great Reset manifesto which claims that the Green Transition is the continuation of U.S. President Franklin D. Roosevelt’s Economic Bill of Rights! The [manifesto](#), titled “After the Crisis: Two Possible Futures,” is so clumsily illogical that it is not even worth a refutation.

Other major administration posts such as Justice and Interior (police) went to public servants, while Luigi Di Maio (M5S), Lorenzo Guerini (PD), and Roberto Speranza remain at Foreign Affairs, Defense, and Health, to guarantee continuity. The minor posts went to political factions that support the government (almost all major parliament factions: Democratic Party, Lega, Liberi e Uguali, Forza Italia, Italia Viva and M5S), with the rightwing party Fratelli d’Italia deciding to stay in the opposition.



Government of Italy

Former Prime Minister Giuseppe Conte, whose government was judged not strong enough to implement the unpopular zero-carbon transition envisioned by the EU.

With almost all parliamentary factions supporting him, Draghi is supposed to get a large vote of confidence by Parliament next week, even if the largest faction, M5S, is deeply split, and many representatives have announced a contrary vote.

The Draghi Option Was Cooked Abroad

This is not the first time that a former central banker has become Prime Minister in Italy. We have the precedents of Carlo Azeglio Ciampi (1993-94), Lamberto Dini (1995-96) and Mario Monti (2011-13) who, although not being a banker, fits in the same category of non-elected financial technocrats. This time, however, it is different because of its agenda and the international context.

It looks like the same forces who had created the second Conte government in 2019, have now decided to flush it and replace it with a Draghi cabinet. Giuseppe Conte had formed a pro-EU government by replacing the sovereigntist Lega party with the Democratic Party. Key to this was the pro-EU shift of the major coalition partner, the M5S, which had ensured the election of current EU Commission

chair Ursula von der Leyen at the European Parliament. Backed by the new majority, the Conte government had endorsed all decisions coming from Brussels, from the reform of the bank-bailout scheme ESM (European Stability Mechanism) to the Next Generation EU so-called “Resilience and Recovery Plan.”

However, the catastrophic management of the COVID-19 emergency and related relief measures, a paralysis of investments, and a messy management of fiscal policy, all severely eroded popular support while also causing quite a concern in Brussels that the situation could get out of control. The Conte government was judged to be not strong enough to implement measures as unpopular as those envisioned by the EU “Zero-Carbon” transition.

Indeed, a Deutsche Bank official has spilled the beans that the transition requires an “ecological dictatorship.” In an [article](#) posted on the website of Deutsche Bank Research Unit on November 11, 2020, titled “Climate Neutrality: Are we Ready for an Honest Discussion?” Eric Heymann wrote:

A certain degree of eco-dictatorship will be necessary.

The impact of the current climate policy on people’s everyday lives is still quite abstract and acceptable for many households. Climate policy comes in the form of higher taxes and fees on energy, which make heating and mobility more expensive. Some countries have set minimum energy efficiency standards for buildings or similar rules in other areas. However, climate policy does not determine our lives....

If we really want to achieve climate neutrality, we need to change our behavior in all these areas of life. This is simply because there are no adequate cost-effective technologies yet to allow us to maintain our living standards



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Former Prime Minister Matteo Renzi pulled his ministers out of the Conte government, forcing him to resign and making way for Draghi.

in a carbon-neutral way. That means that carbon prices will have to rise considerably in order to nudge people to change their behavior. Another (or perhaps supplementary) option is to tighten regulatory law considerably. I know that “eco-dictatorship” is a nasty word. But we may have to ask ourselves the question whether and to what extent we may be willing to accept some kind of eco-dictatorship (in the form of regulatory law) in order to move towards climate neutrality....

Thus, it was decided in Brussels that Conte must go, to make place for a real economic hitman who can walk on corpses.

The same person who had brought the Democratic Party and the M5S together in 2019, former Prime Minister Matteo Renzi, was now deployed to pull the plug. Renzi moved to withdraw his faction’s support from the Conte government and called for Draghi as new Prime Minister. As many observers have noticed, the timing of Renzi’s coup was revealing: soon after, Joe Biden was declared the newly elected U.S. President by the media. Renzi owes his career to the same trans-Atlantic networks that have backed the Bush and Obama administrations in the past and are backing the Biden administration currently—so much so, that under him and his successor Paolo Gentiloni (EU Commissioner), the Italian government is suspected of having actively participated in the Russiagate operation against President Trump, a case which has been investigated by U.S. Special Counsel John Durham.

Renzi pulled his ministers out of the government in mid-January and Conte was forced to resign. State President Sergio Mattarella made it clear that he would not go for early elections, and called in Draghi, demanding large support from Parliament, justifying his decisions with the health emergency and the “European” deadlines, i.e., the need to draft and get ap-



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Beppe Grillo, founder of the M5S, has forced his party to back Draghi, in exchange for Draghi’s support for a “ministry for ecological transition.”

proval for so-called recovery plans.

Although a campaign for Draghi as “salvatore della patria” (savior of the Fatherland) had been launched the day after he ended his mandate at the European Central Bank, it was considered improbable that Draghi would accept such a high-risk endeavor as becoming Prime Minister. The average duration of a government in Italy is one year, and Draghi, who has the ambition of becoming State President in one year, was believed to be not inclined to accept the mandate. However, events have shown that a secret deal has been struck, by which Draghi has been prom-

ised by Parliamentary forces that in one year, he will resign and will be elected State President.

As to the M5S, the party is in shambles after the decision, forced by founder and charismatic leader Beppe Grillo, to back Draghi. Grillo announced that Draghi had accepted his proposal for a “ministry for ecological transition” and called on M5S members to vote “yes” in an internal referendum on February 11. The question to be answered with “yes” or “no” sounded like, “Do you love your Mom?”: “Do you agree, that the M5S supports a political-technical government that includes a super-ministry for ecological transition and that defends the main achievements of the Movement, with the other political forces chosen by nominee for President Mario Draghi?”

As the “yes” predictably won with 59.3%, many M5S elected representatives as well as a large chunk of the traditional party base revolted, so that a split and an early disintegration of the party is not to be excluded.

The Country Is Polarized on Draghi

A large section of Lega voters did not understand the about-face of the party leadership on Draghi and on the European Union. Representative of the polarization on Draghi in the country is the large number of internet articles and discussions on Draghi’s record as an invest-

ment banker and a privatizer, with his role in the famous *Britannia* meeting in the foreground. This is a reference to a story *EIR* first published in January 1993, about Draghi's presence on Queen Elizabeth's yacht *Britannia* on June 2, 1992, as a speaker at a conference promoting Italian privatizations, before an audience of bankers and investors from the City of London. At the time, Draghi was Finance Minister and unknown to the public at large.

After that event he was appointed head of the Privatizations Committee, where he oversaw Italian privatizations for a decade. Eventually, his career skyrocketed: VP of Goldman Sachs, Italian central banker, chairman of the international Financial Stability Board, chairman of the European Central Bank.

Because *EIR* had exposed the "*Britannia* plot" on February 12, 1993 in an [article](#) titled, "The Anglo-American Strategy Behind Italy's Privatization," Draghi had to defend himself before a Parliamentary committee, claiming that he had only read his prepared speech and then left the ship when the *Britannia* and its guests sailed from the port of Civitavecchia for a cruise. Draghi is reported to consider that scandal still an open wound today.

Ironically, Draghi's urgent priorities today are a few major crises produced by his decisions as Privatization Czar in the nineties: in the steel sector, the national air company Alitalia, and the national highway company Autostrade per l'Italia (Aspi). The steel sector is in a deep crisis involving the largest steel plant in Europe, Ilva, in Taranto, southern Italy, an integrated-cycle plant which is scheduled to be shut down by a judiciary order with environmental motivations issued February 12. The Ilva, Alitalia and Espi crises have all a common feature: those companies were sold to private interests, which did not invest in productivity and safety but squeezed profits out of them. Now, they are bankrupt and the state is moving to buy them, including their huge debt.

The dissident faction in the M5S, as well as the opposition Brothers of Italy party (Fdi), have raised



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As exposed by EIR, it was aboard the Royal Yacht Britannia on June 2, 1992, that Mario Draghi received his marching orders to promote Italian privatizations from a conference of bankers and investors from the City of London.



the *Britannia*-privatizations stigma to motivate, among other things, their opposition.

A statement by Movisol, the LaRouche association in Italy, has also warned against Draghi's agenda of "creative destruction" (see box below), and a 2012 video on the *Britannia* scandal republished on February 3 drew over 2,000 views in 24 hours. The creative destruction agenda, first exposed by *EIR Strategic Alert* (Vol. 34, No. 52, December 31, 2020), has also been exposed by two economists, Emiliano Brancaccio and Riccardo Realfonzo, in a [letter](#) to the *Financial Times*, "Draghi's Plan Needs Less Keynes, More Schumpeter," on February 12, 2021:

In Italy, the advent of "technocrats" has always coincided with an opposite trend: the need to weaken parliamentary forces so as to increase a government's autonomy in managing the scarce resources available in economic downturns.

Such was the case in 2011 with Mario Monti, who plunged the country into a recession. It will be

worse with Draghi, because there are now fewer resources.

In fact, if we calculate the amount of grants and loans that Italy can get from the EU Commission's Resilience and Recovery Fund (RRF), netted from Italy's payments into the EU budget, Italy can at best save less than €10 billion in reduced debt service, which is totally insufficient to recover the severe losses to the GDP from the pandemic. Brancaccio and Realfonzo conclude their letter:

It is no coincidence that in his recent report for the [Group of 30], Draghi exhorted governments to support a free-market "creative destruction."

This is not Keynes but a laissez-faire version of Schumpeter. If the EU's funding of the recovery is not more generous, Draghi's time as pre-

mier may turn out little different from the austerity of the "technocrats" that preceded him.

It now has to be seen how Mario Draghi will manage to carry out his internationally dictated agenda and at the same time escape the inevitable unpopularity deriving from the effects of his "creative destruction." Economist Stefano Zamagni, who had called Draghi into membership in the Pontifical Academy of Sciences last July, said in an interview that relief measures implemented by the Conte government won't be extended at the end of March and—

Many firms will be terminated and many people will lose their jobs. And here comes the real question mark: Will the parties that have implemented a welfare approach so far, such as the M5S or the Lega ... will they keep supporting Draghi? The same goes for the Democratic Party.

Academicians Call on Draghi To Build Infrastructure in Southern Italy

"Creative destructionist" Mario Draghi is not free to do "whatever it takes" to implement the Great Reset agenda, but must take into account pressures and constraints coming from democratic institutions and constituency groups. For instance, business circles and others are emphasizing prescriptions formally contained in the Next Generation European Union papers, that funds must be used to reduce the gap between richer and poorer regions, to call for infrastructure investments in Italy's Mezzogiorno, including the Messina Bridge connecting Sicily to the peninsula.

In this context, an initial group of 150 academicians (now almost 300) under the skillful direction of Schiller Institute friend Professor Enzo Siviero, has backed the call by leaders of the Calabria and Sicily administrations for Draghi to put the Messina Bridge on top of the list of public works to be financed through the EU Resilience and Recovery Plan.

At the same time, a report by Engineer Ercole Incalza, Italy's top expert on infrastructure, presented

to the Deputies Budget Committee, characterizing the Messina Bridge as "the only project ready to start" and thus eligible for Resilience and Recovery Facility (RRF) funds, has had a strong impact. Incalza, who has been for 20 years the leading official on infrastructure policies in the Italian government, emphasized the need not to decouple Italy's Mezzogiorno from the North and from the physical economy of Central and Northern Europe. Today, the average income in Southern Italy is €16,000, while that in Northern Italy is €40,000.

Furthermore, Northern Italian connections to Northern, Eastern and Western Europe will be upgraded through the Turin-Lyon Tunnel and high-speed line, the new Genoa-Milan and the Milan-Venice High Speed Line, and the Brenner Pass tunnel between Italy and Austria, but nothing has been done to complete the Baltic-Mediterranean corridor included in the TEN-T European infrastructure plan. Whereas the northern missing link is being completed with the Fehmarn Belt tunnel between Denmark and Germany, the southern missing link to Sicily is still missing. After Incalza's testimony, committee member Matilde Siracusano called on Draghi "to completely review the Recovery Plan" drafted by the Conte government, which had excluded the Messina Bridge.