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# LaRouche Brings ‘Spark of Optimism’ To Italian Parliamentarians in Rome

*Lyndon LaRouche addressed a conference in Rome Feb. 13, on the upcoming tasks of the new U.S. Congress. The meeting, which took place in the Cenacolo Hall of the Chamber of Deputies, was organized by the Rifondazione Comunista group of the Parliament, and attended by Mario Lettieri, Undersecretary to the Economics Ministry in the government of Premier Romano Prodi. LaRouche last spoke at the Italian Parliament in April 2003.*

*The audio for the first few words was lost. Subheads have been added.*

... The power of finance no longer lies with banks, or with governments as such. There's a vast hyperinflation, in which the banks themselves are being looted, the major banks of various countries are being looted by a financial firestorm, a whirlpool, which is being driven largely from London, but using heavily the Japan carry trade as a source of monetary aggregate, for the wildest financial speculation the world has ever seen on a global scale.

This is aggravated by the destruction of the economies, the physical economies, of Europe and the Americas. This is part of a drive toward a unipolar world, under globalization. What you see in Italy in the destruction of industries; where there used to be industries in the northern part of Italy, they're disappearing, evaporating. That's what's happening throughout all of Europe. That's what's happening in the Americas, especially the United States and Canada. There are vast credit bubbles in real estate investment which are about to pop. And

when this crash comes, as it will come, there's no possibility of the existing monetary-financial system continuing to exist.

For example. If the U.S. dollar collapses, in a rapid period, by 20 to 30%, you will find that the Chinese economy will also collapse, and the rest of the world. And there is no ordinary bankruptcy procedure which would work in dealing with a world crisis, because the amount of obligations is so great, the rate of charges is so great, there's no economy in the world which is capable of sustaining this burden, or this crash.

There are remedies for this kind of problem. The problem is that the change in the world monetary system, which occurred especially since 1971-72, and then '76, those changes have created a system which can not survive this crisis.

Now, look at the forces involved. Who's going to make the decision to save the world from this collapse? Now, there's no government in Western, or Central Europe, which is capable of taking the necessary kind of initiative at this time. The Big Four of the world will have the chief responsibility for leading any measures of general economic recovery from this crisis. The Big Four are: the United States, Russia, China, and India. These nations are characterized among their people by a very strong patriotic impulse. That is, they do not accept the idea of globalization, they do not accept the idea of being subjected to a unipolar imperial system. And as you have seen, in looking at China recently, India recently, developments in Russia recently, you see there is a process of revolt against globalization coming out of these countries.

The anger of these countries on this account is aggravated



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*LaRouche (right), shown here addressing members of the Italian Parliament in the historic Cenacolo Hall in the Chamber of Deputies, proposed that the U.S. immediately approach Russia, China, and India “to form the focus of a global arrangement for reorganizing the world economy.” Seated, left to right: Members of the Chamber of Deputies Gennaro Migliore and Andrea Ricci; and Liliana Gorini, Movimento Solidarietà, Rome.*

by the behavior of both the United Kingdom, and the George Bush government in the United States: that governments in the world, that are well-informed, know that there is not a problem with the Iraq War, nor a problem with a threatened Iran War; the problem is the threat of world war. If you followed the Wehrkunde meeting which has just gone on in Munich, in Germany, you see there was a clash, a very strong clash, between the United States and Russia, in particular. Now this does not reflect the actual values of the American people, or a majority of the Congress or others in the United States. The popularity of the Bush-Cheney government, Presidency, is very low, probably below 20% in the United States right now. But because this government is very weak, it is also very desperate, and very dangerous, and will tend to take dictatorial measures, in the spirit of Adolf Hitler. For example, the Bush Administration is operating under a policy which is a direct copy of that of Carl Schmitt, who designed the Hitler dictatorship.

### **Resistance to Bush-Cheney Inside U.S.**

Now, just look at what’s inside the United States in opposition to the Bush-Cheney Administration, to understand what our chances are of dealing with this problem. As you know, the economic systems of Central and Western Europe are monetarist systems, in which, in effect, concerts of central banking systems control governments. The United States, on

the contrary, does not have a monetarist system. We have strong pro-monetarists factions among us, but the American Constitutional system is a credit system, not a monetarist system. The United States economy was designed constitutionally to be a managed economy, not a free-trade economy.

Now we have certain institutions in the United States which reflect this, and you’ve seen the reflections, perhaps, in the press to some degree. For example, retired diplomats, retired generals, retired intelligence officials, and similar kinds of people, play a great, important, and influential role in shaping the policy of the United States. This arrangement is a characteristic of a Presidential system, as opposed to a parliamentary system. At the same time, even in the parliamentary system, parliamentary aspect of our system, the committees of the House of Representatives, the lower house, are more powerful in many respects than the elected representatives. And some of the leaders, some of the longer-standing leaders in these two departments of the elected government,

are very powerful. They tend to lead the most important standing committees. They’ve been in office for, probably, about a quarter-century. They know the ropes.

Now, the resistance that we’ve had to the Bush Administration and Cheney, inside the United States, has been organized largely out of the Presidential system, out of the retired layer of the Presidential system—senior diplomats, senior figures from the intelligence community. Senior diplomats are extremely important. Senior military organizations are extremely important. And I’ve been involved in this, naturally, since I’m a senior person who’s involved with these kinds of people.

And it is this group of people, many of whom are retired from official positions, who have organized the resistance against the war in Southwest Asia, and other adventures. And these, together with the standing committees in the House of Representatives and, to some degree, the Senate, are the other large resource of resistance against these tendencies. And my particular position in this is to try to keep these people not only moving, as they are, but to give them some essential direction as to what we can do. There are actually about 2,000 people around government, of this type, in the United States, who are the core of the leadership of government, on this kind of problem. And in this, my function is largely associated with doing the analysis of what the international monetary-financial system is, and to present

proposals, and designs, for what we can do to deal with the crisis which is coming on now.

### Cheney Must Go—Now!

I should tell you right now what my recommendation is to my associates of these kinds of circles in the United States.

My proposal is: Number one, get the Vice President out of office quickly. Give him the alternative of resigning, or going to prison. It's the only language he understands.

Secondly, replace the Vice President with a new Vice President. Then release the President to receive the mental health care he needs. He is, very seriously, a mental health

## Rep. Andrea Ricci Calls For New Monetary System

*Here is Rep. Andrea Ricci's statement on the occasion of Lyndon LaRouche's Feb. 13 address at the Cenacolo Hall.*

This conference with Lyndon LaRouche is the result of the desire to continue a parliamentary initiative from the previous legislature, which led to the approval in the Chamber of Deputies of a motion, presented by Rep. Mario Lettieri. This motion committed the government to take initiatives at the international level for the convocation of a conference for the reform of the international monetary system. Today, the idea of a "New Bretton Woods" is more relevant than ever, as we are faced with the increase of global economic imbalances and the growth of a financial bubble based on speculation, factors which increasingly undermine the stability of the international monetary system. Thus, it is necessary to act before a possible global economic catastrophe takes place, by abandoning the neo-liberal approach which has dominated the world economy in the past quarter of a century, and returning to new forms of regulation of international economic and financial flows, agreed upon between individual States, and functional to the economic and social development of all peoples on the planet.

LaRouche's political and cultural movement has been active in supporting and circulating this proposal for a long time, and today's event represents an important contribution to further discussion of the issue. An additional objective which we have set for the period after this conference, is to found a Parliamentary Committee of Deputies and Senators for a New Bretton Woods, in order to take the political and institutional initiatives necessary to place this issue among the priorities of Italy's foreign policy.

case, a clinical mental health case. He is the modern Woodrow Wilson. On that basis, the new Vice President would become the President.

This would moralize, of course, the members of the Houses of Congress. It would mean a number of measures which are now said to be moot, would immediately be accepted. Under those conditions, we would have to do two things, as the United States. Number one, we would have to be prepared to put the United States Federal Reserve System into bankruptcy, into receivership by government. The entire Federal banking system, and related financial institutions, would operate under bankruptcy supervision by the Federal government. Under those conditions, the function of government is to assure that the economy does not collapse: that pensions are paid, that businesses stay in function, that necessary services continue, and so forth. And then to create new credit, under the U.S. Constitution, by issuing monetary credit for *long-term investment in infrastructure, and related programs*. And in domestic affairs, to transform the U.S. economy from a post-industrial society, back to an agricultural and industrial economy.

This action would require the following additional international actions: My proposal would be that the United States set up an arrangement, under which the United States would immediately approach Russia, China, and India to form the focus of a global arrangement for reorganizing the world economy. In that case, then, the United States would propose to Europe and others, that a Eurasian development program be launched, that credit be created under long-term treaty agreements, of between 25- and 50-years maturities.

If you look at the situation in Asia, you have very large countries like China, with a population of well over 1 billion people; India, over 1 billion people; Russia, a very significant power, without such a big population, but very significant in respect to Eurasia. You will find, for example, that India and China are not such healthy countries after all. China depends too much on export markets, and does not invest enough in developing its internal economy. It requires a massive investment in infrastructure in the internal economy, in order to raise the population's productivity to a modern level. India, with over 1 billion population, has about 70% that is extremely poor.

The world has a great freshwater shortage. Whole areas of the world are dependent upon fossil water which is being depleted. Meeting the demands of the people of this population, at this level, requires a great increase in raw materials development. The immediate needs of the world in terms of freshwater management, and in terms of power, could be met largely through a combination of nuclear fission power, and also the production of synthetic hydrogen-based fuels, using fission plants to generate the local fuels. The management of the raw materials requirements of the growing world population, especially in Asia, means that we have to go to thermonuclear fusion orientation in economy, in technology.

These requirements bespeak large-scale investments,



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*“The change came because the generation of young Americans, between 18 and 35 years of age, just made a revolution,” LaRouche said. “They produced a landslide victory for the Democratic Party inside the House of Representatives.” Here, members of the LaRouche Youth Movement campaign in Connecticut, singing political canons, just before the November 2006 election.*

capital-intensive investments, in infrastructure, in industry, in agriculture, with a period of investment of 25 to 50 years. Objectively, in terms of physical economy, this is manageable.

Large-scale credit can be created in the case of the United States by government action. It’s a unique feature of our Constitution. Otherwise, in Eurasia, we can create large-scale credit through treaty agreements among nations. Nations can come to an agreement under conditions that we establish a fixed-exchange-rate system. We could sustain the needed long-term investment in infrastructure and in capital formation in production, by a nest of treaty agreements, at low interest rates, with maturities in the range of 50 years.

In other words, there’s no reason that we can not solve this problem. But we have to get out of the mentality which has taken over the world, since about the time that Nixon was elected in the United States. And nations have to come to an agreement on the long-term, fixed-exchange-rate system, based on treaty agreements, which enable us to create large amounts of capital, through government action, to get these projects moving.

To those who understand economics, what I’ve just said is not really surprising. What would have been said, until recently is, “Yes, you’re probably right, but it won’t work, because the political system won’t let it be done.”

### **A Sea-Change Under Way**

Now, this current situation politically often reminds me of the case of the passengers on a sinking passenger liner. And the response is, that while people are jumping from the sinking ship, other people are saying, “Ah, people are jumping from the sinking ship. Now we can get a better stateroom.”

You see that in Europe, in Asia, and in the United States today—exactly that kind of mentality. But once they get the idea, with two components—once they get the idea that that big stateroom they want to steal is going to go under too, and that there is a way of getting into a boat, and getting to safety, they may change their mind. And that’s what I mean by the real politics of the world today. That’s where we stand.

You have a mass of people who feel they do not have real leadership. Either they don’t want leadership, or they don’t think they have it. And then you have other people, who think we need leadership like that of Adolf Hitler.

We’re at a situation which is probably comparable, in one sense, to what happened in 1648 with the Treaty of Westphalia. For 30 years, the people of Europe had been killing each other, trying to win a war. And the more they fought it, the more they lost. And then, someone came along, like the great Cardinal [Mazarin] of France—who was actually Italian in origin—who proposed what became the Treaty of Westphalia. Under that leadership, people signed the treaty, and Europe survived. And despite all the wars, despite all the mistakes, everything that Europe has accomplished up to this time, it’s been based on the benefit of that treaty.

There is also a change in the United States, which is important, not only for what it means there, but for the world at large. Two changes have overtaken the political life, the internal life of the United States, which the leading politicians didn’t notice. Since about 1968, the lower 80% of the adult citizens of the United States have been dropping out of politics. So the upper 20% of the income brackets of the United States have dominated the political scene, and the upper 3% of family-income brackets have controlled the society top-down—that is, the people with the most money, the upper

3%, have controlled the opinions of the upper 20%, and opinions of the upper 20% have controlled the policies of the nation. The Democratic and Republican parties have ceased to be real political parties of a mass population.

Well, the [second] change came because the generation of young Americans, between 18 and 35 years of age, just made a revolution. They produced a landslide victory for the Democratic Party inside the House of Representatives. There is a revolt among a leading layer of young Americans today. The same potential is manifested in various ways in Europe. You have a decaying economy, in which young adult people in Europe, as in the United States, are faced with a no-future society.

Now, the part of the young people who lead the movement of this type, is not the majority of the young people. Our young people are extremely poor, desperately poor in most cases. Demoralized. Decadent. But there's a section of that stratum of the population which tends to think about playing a leading role, by impulse. And it came as a surprise to most people in politics in the United States, that this layer of young people changed the course of history inside the United States, the political history.

So, you have a combination of increasing desperation by the population in general, as the system becomes worse and worse, and also a factor of optimism, as young people in the 18 to 35 age group begin to become a factor of leadership within the pores of the population. You're dealing with what is known in European history as a classically revolutionary situation. That does not mean you're talking about guillotines and things like that, though some of that talk may come up. But it does mean that there's a revolutionary mood in politics.

### **A New Treaty of Westphalia**

The key to politics to me, today, is to introduce the element of justified optimism, by presenting competent programs, truthful analysis, which convince people that if we work together, as people did in 1648, at the end of the Thirty Years War, that we can pull ourselves together, as nations, and within nations, to work our way out of this problem. And as Franklin Roosevelt said in a somewhat similar situation in 1933, there's nothing as much to fear as fear itself. The fear that we can not solve these problems politically, within existing political institutions, is the thing that's the most dangerous to us. Because what I see in the world as a whole, from movements in India, in China, in Russia, and elsewhere, is that the appetite for a solution exists. The fear of the existing trends exists. The collapse of the worldwide housing bubble, is about to hit with full force. The collapse of standards of living, is rushing on, accelerating. The liquidation and bankruptcy of important firms, large and small, throughout the world, is now running full speed, in Europe, especially, and in the United States.

The situation requires a spark of optimism, and courageous political figures must provide that spark of optimism

by telling the people that they are there, and they are prepared to act. To the extent that we can, internationally, get that voice shared, across national borders, among leading political and other circles, in the nations of Europe, in the nations of Eurasia, in the Americas, and also spilling into Africa, the very fact that some leading people become the voice to express that in their nation, and express that in terms of seeking cooperation with similar voices in other nations, is a chance for us to pull a new 1648, a new Treaty of Westphalia.

There is a qualified optimism surging in the United States population now. The question most of us who see that in the United States, ask of ourselves: Will it come soon enough, and fast enough? The question is the same thing in Europe. I see demoralization in Europe, in the sense of parts of Europe that say, "There's nothing we can do about it." People are saying, "There's nothing we can do about it, about the present situation." My view of this is that in this circumstance, *valid ideas*, which represent solutions, but have inadequate support, have the power to change the politics of nations.

It's like making a new automobile. Design one that works, and if people want a ride, they may buy it. We're in that situation. Even small forces, which mobilize to provide this kind of leadership, will be decisive in determining whether or not we come out of this mess safely.

Thank you.