

## Italy's Tremonti Cites Angelides Report on Crisis

March 11—Italian Economy Minister Giulio Tremonti was the guest on an hour-and-a-half primetime national TV talk show dedicated to the financial crisis. “The volume of derivatives has gone back what it was before the 2007 financial crisis. If one wants to have a minimally fair idea, read the report to Congress by the U.S. Commission, which says that a mass of threats is again imminent,” Tremonti said, referring to the Financial Crisis Inquiry Commission, chaired by Philip Angelides.

To discover the causes of what is going on today, we must go back at least 20 years, he said. Under a system when “states had sovereignty over currency,” the gap between the real economy and the financial economy was under control. Then, in 1989 and 1994, there were two shifts, with the fall of the Berlin Wall and the World Trade Organization (WTO) agreement in Marrakesh. As a result of financial globalization being rushed in, and of derivatives “bets,” the ratio of the volume of financial transactions to transactions in real goods reached 20:1.

“Inside this colossal financial mass, an ‘accident’ can occur, as it did in 2008.” The difference between the current crisis and the Great Depression is that “in the first crisis, citizens’ money was used to bail out

the citizens. This was the New Deal under Franklin Roosevelt. This time, citizens’ money has been used to bail out banks,” Tremonti pointed out.

“Sooner or later, someone will be made accountable before history and peoples,” he said, and repeated: “The court of history will judge the lunatics who rushed into globalization in this way. It should have been done in a slower and wiser way.”

If you want to know who did it, “look at a photo of the Third Way,” he continued. After the first “videogame monster,” i.e., the Lehman Brothers bankruptcy; the second “videogame” came to Europe in the form of the sovereign debt crisis, “as the Angelides Report shows.”

Tremonti again cited the Angelides Report to say that the Obama financial reform has not repaired anything. “The United States tried to introduce rules, but they failed. Read the report: They failed.”

The third monster is the revolts triggered by speculation on food and oil prices. Tremonti reminded his host that in 2008, when he had raised the issue at the international level, the IMF responded officially that speculation “does not exist.”

Not only does it exist, but now it has come back “in the most violent form, from the Atlantic to the Indian Ocean,” he said. “The other devastating factor is the excess of injustice.” When people, especially young people, see their lives are made impossible, in contrast with corruption and wealth in high places, they react. “There is no historical precedent for this, except maybe in the Middle Ages,” Tremonti said.