

# The Rebirth of Italy's Mezzogiorno Means a New Renaissance in Italy

June 2—Speaking about a “Marshall Plan” for Southern Europe, the mind goes naturally to the original Marshall Plan which, although only a shadow of Franklin Roosevelt’s real intention for postwar world reconstruction, supplied urgently needed credit for the reconstruction of Europe. Italy owes its reconstruction to that credit, but also to the competence of its ruling class of that time, which was able to use it for policies and institutions modeled after the best experience of FDR’s New Deal.

The Fund for the Development of Southern Italy (Cassa per il Mezzogiorno), established in 1950, was perhaps the experience closest to the New Deal on the European level. The Cassa is still today a model for the development of Southern Italy and other underdeveloped regions of the Mediterranean area.

Italy’s Mezzogiorno, with a population of 20 million, includes the regions of Molise, Campania, Basilicata, Puglia, Calabria, and the islands of Sicily and Sardinia.

This region saw strong sustained development from 1950 to 1965, and less so until 1975, when it was interrupted, Italy, which today could have the highest productivity in Europe, with a northern part which is as productive as Germany, and a southern part which is exactly one-fourth less productive than the North. Accordingly, whereas unemployment in the North is around 10%, in the Mezzogiorno it is over 25%. The rebirth of the Mezzogiorno means the rebirth of Italy.

The reasons for the Mezzogiorno’s historical backwardness are to be found in the long centuries of foreign domination, starting with Byzantium, then the Norman, the French, and lastly, the terrible Spanish domination. The Spanish Hapsburgs (Bourbons) were the worst colonizers in history, looting resources and keeping the population in a state of semi-slavery.

The Bourbon domination and the post-Napoleonic

British influence promoted the growth of the Mafia, first as private police force for the landed aristocracy, and later as a tool of terrorist destabilization. (Today, the Mafia is a severe impediment to the development of Southern Italy, but Italy’s EU puppet government of Mario Monti is going in the other direction. Monti cut the money for law enforcement, whereas in Southern Italy it should be doubled.)

Thanks to the Cassa, the development of Italy’s Mezzogiorno took off, going through a decade (1950-60) in which, for the first time, the income of southern families grew at the same rate as the income of northern families.

Private land ownership, the figure of the “independent farmer,” appeared in Southern Italy only in 1950, with the De Gasperi<sup>1</sup> land reform that distributed 30% of the latifundia to farmers. The Cassa was fundamental in ensuring that the new farmers would get credit and means for productive improvements, irrigation, seeds, machines, livestock, etc.

In the 1950-60 decade, the Cassa was flanked by the role of the state conglomerate IRI in building infrastructure and industries throughout Italy, and by the state oil company ENI (Ente Nazionale Idrocarburi), in providing cheap energy through the discovery of large gas reservoirs in the northern Po plain. The steady 7% yearly growth was called the “economic miracle”; inflation was defeated, and for a short time, even became negative. The national currency, the lira, was recognized for its stability. In 1959, full employment was reached.

When, in 1975, the role of the Cassa was abruptly downsized through the devolutionary introduction of regional governments which took over jurisdiction of long-term investments, the Cassa per il Mezzogiorno

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1. Alcide De Gasperi (1881-1954) served as prime minister 1945-53; and as foreign affairs minister and interior minister before that.

had created 2 million hectares of irrigated land, built 62 dams, 52 aqueducts, numerous sewage systems, modernized 20,000 km of roads, built 6,000 km of new ones, electrified railway lines, and started numerous industrial centers. However, the job was only half done.

After the model of the Tennessee Valley Authority and the New Deal projects for the entire Appalachian region, the Cassa was given unprecedented technical competence and power, including funding to finance a ten-year program which was drafted and executed by the Cassa itself, under approval of a special government committee composed of the Minister for the Mezzogiorno, and the ministers of the Treasury, Finance, Public Works, and Labor.

In addition to the long-term projects, which the Cassa leaders drafted with an integrated approach, new projects could be adopted yearly, according to the changed situation. The Cassa's structure allowed it to move funds which it had earmarked for a project, to another project, if priorities changed along the road. Local authorities were forced to collaborate with the Cassa and put their competencies at its disposal. As the Cassa's long-time president, Gabriele Pescatore, often said, the aim of the Cassa was to create "a process of self-subsistent capital accumulation."

The regional devolution meant a shift from a unitary integrated approach for infrastructural development of the entire Mezzogiorno, to local approaches and views, breaking up the unitary vision and ending the development process, which degenerated into localism and clientelism.

Today, the original approach of the Cassa per il Mezzogiorno must be revived, if we want a rebirth of Southern Italy, and a locomotive for the entire Italian economy, and that of all the Mediterranean.

### **Springboard for Development of North Africa**

If we want to plan a rebirth of the Mezzogiorno, we have to consider its geographical role in the center of the Mediterranean, and its potential land connection from central Europe through the Italian peninsula, to Africa.

From its northeast to its southernmost point, the Island of Lampedusa stretches for 1,291 km as a natural "bridge" between Northern Africa and Central Europe. It is 140 km from the coast of Tunisia, and 70 km from the Albanian coast. There are projects to connect at

least one of these two distances through a submarine tunnel.<sup>2</sup>

Italy is the only country belonging to "Southern Europe" which has a self-subsisting industrial capacity, able to provide capital goods for itself as well as other countries. Italy has the second-largest manufacturing sector in Europe, after Germany. The problem is that this industrial base is concentrated in Northern Italy, and partly in Central Italy, whereas Southern Italy is underdeveloped.

Italy's industrial potential is now blocked by its loss of sovereignty. The euro system vetoes the creation of credit for development, and forces industrial companies to outsource production. These two main problems must be eliminated through re-establishing monetary and credit sovereignty, and protective measures of commerce.

If this is done, Italy can go back to the FDR-style methods used in the postwar reconstruction, and use its tremendous scientific and industrial potential to develop its southern part, while helping develop neighboring countries, such as Greece, Spain, Portugal, and Northern Africa.

By extending its capacities in the Mezzogiorno, northern Italian industry will enjoy the unique advantage of being closer than any competitor to its export markets. Italy's Mezzogiorno must become the production site for capital goods for itself and for the entire Mediterranean region.

### **The Mattei Tradition**

In the 1950s, when the Anglo-French-Belgian colonial interests still controlled most of Northern Africa and the Middle East, Italy developed an independent policy of friendship with those countries through the work of its greatest industrialist and political leader, Enrico Mattei. Whereas the Anglo-French colonizers exploited natural resources, offering little in exchange, Mattei offered not only the largest portion of the pie, but also to educate a local skilled labor force able to participate in an industrialization process.

A leader of the anti-Fascist Resistance, Mattei, after the war, was assigned the task of liquidating the state-owned oil company Agip. Soon, Mattei realized that for

2. See Dr. Nino Galloni, "The Sicily-Tunisia Tunnel: Link to Africa," *EIR*, Feb. 25, 2011.

Italy, a country poor in raw materials, Agip could become a tool to achieve energy independence. Thus, he disobeyed orders, and instead of liquidating Agip, he set up a false oil discovery in the northern Italian Po plain, and with the support of Prime Minister Alcide De Gasperi, carried out his plan to make out of Agip a powerful tool for development.

Mattei forced the government to give Agip concessions over the entire national territory, excluding foreign companies. He did not find oil, but did discover enough gas to provide cheap energy for the industrial recovery. In a few months, Agip's sister company Snam built a large network of gas pipelines in Northern Italy, and brought natural gas to every household.

When he realized that the high price of fertilizers, established by private producers in a cartel agreement, was hindering the development of Italy's agricultural sector, Mattei built a large plant in Ravenna and produced fertilizers.

In 1953, Mattei built the conglomerate ENI, and launched an international offensive against the "Seven Sisters," as he named the seven companies that formed the powerful international oil cartel. With the exception of Esso, which drilled oil in Saudi Arabia, the Seven Sisters were the same British, French, and Dutch companies which had shared among themselves control over oil-producing countries, following the famous "Red Line" agreement of 1928, which basically followed the lines of the Sykes-Picot agreement.<sup>3</sup>

The Seven Sisters drilled oil according to the 75/25 formula: 75% to the company and 25% to the producing country. U.S. companies gave better treatment: 50/50. Mattei offered 25/75: 25% to ENI and 75% to the producing country. Furthermore, Mattei offered a development package: employment of the local labor force, schooling of labor, and infrastructure.

Mattei made agreements with Persia (Iran), Libya, Tunisia, Jordan, Lebanon, and Morocco. He also struck major trade deals with Russia, and with Egyptian nationalist leader Gamal Abdul Nasser; and he opened negotiations with China. In 1962, with the Kennedy Presidency, a new situation allowed a deal with U.S. oil

companies. The British Foreign Office viewed this as a *casus belli*.

In 1962, on the eve of Mattei's visit to the U.S.A., where he was supposed to meet President Kennedy, Mattei was killed by a bomb placed in the landing gear of his private jet. However, his policy was continued by his successors, and the Italian governments in general, until the political system was rocked by the pro-euro coup of 1992.

Mattei built an image of modern Italy which still resonates among African and Asian countries. His policy was strongly backed by State President Giovanni Gronchi, and by prime ministers such as Amintore Fanfani and Aldo Moro. ENI was the calling card of a modern, anti-colonialist Italy, and opened the door for the powerful state conglomerate IRI to build dams, roads, and railroads throughout the world. An engineering firm of the IRI group, Bonifica, developed the ambitious plan for the development of central Africa called Transaqua (see article below).

## Defeating the Environmentalist Mercenaries

Any development program in Italy must reckon with an occupation force called the environmentalist movement. After 1987, environmentalists have, for two decades, successfully prevented any major infrastructure from being built in Italy, inducing anti-science and technology psychosis in the population. An attempt by the central government to bypass this in 2001, with a bill called "Legge Obiettivo" (Objective Law), which made local approval not binding for a list of strategic infrastructure projects, has been only partially successful. A program for an Italian economic recovery must therefore involve a war against the foreign occupation force, the environmentalist movement, steered by London. This must be conducted both at a cultural level, by organizing the population with cultural optimism, bringing forward the real values of the Italian culture rooted in the 15th-Century Renaissance, as well as on the political-intelligence level, exposing and destroying the foreign intelligence networks controlling the environmentalist operatives.

Here are the main projects to be implemented.

### 1. Energy

Energy is the main deficit item in the Italian trade balance. Italy imports 78% of the energy it consumes,

3. The Sykes-Picot Agreement of 1916 was a secret pact between Britain and France, establishing their respective spheres of influence and control in the former Ottoman Empire.

both as electricity, and as fuel for industrial and domestic consumption. Twelve percent of its electricity (43 TWh) is imported from France, Switzerland, and Slovenia. Natural gas constitutes 66% (230 TWh) of energy produced through imported fuel. Coal is 18% and oil is 16%.

This causes energy prices for production to be on average 30% higher than Italy's industrial competitors. In order to stay in the market in today's insane system of free trade and globalization, Italian producers are thus pressured to reduce labor costs. Due to this and to the higher taxation (over 50% of the gross wage), Italian wages are among the lowest in Europe.

This is the result of the demolition of Italy's nuclear capability which, in 1966, was the third-largest in the world after the United States and Great Britain; in 1987, when that capability was shut down, Italy was the technology leader in Europe. A solution to Italy's energy problems will come through a massive comeback of nuclear energy.

Italy's nuclear tradition goes back to Enrico Fermi, the father of the first nuclear reactor, built in Chicago, in 1942. Enrico Mattei built the first Italian commercial reactor in 1958. After the first oil crisis in 1973, Italy had four active nuclear plants and the government pushed a plan to build six new reactors. A massive British-led economic and political assault against Italy, using the new-born environmentalist mob, brought the Italian nuclear program first to a stop, then to a shutdown, with a national referendum conducted in 1986 under the emotional shock of the Chernobyl accident.

When the government resumed a nuclear program, planning to build eight new plants in order to achieve 25% of its electricity from nuclear, the same forces organized another referendum in 2011. Destiny had it that the referendum coincided with the Fukushima accident following the Japanese tsunami in February 2011. The massive Goebbels-like media propaganda resulted in another plebiscite against nuclear energy, and the nuclear program was cancelled.

The large-scale use of referenda as a form of direct democracy is part of a whole range of elements which have corrupted the Italian system of government, and goes back to the period immediately after World War II, when British-allied forces insisted on building into the Italian constitutional system elements of weakness, such as pure parliamentary democracy, decentraliza-

tion of power, and popular referenda. As a result, virtually nothing can be built today in Italy, as the smallest local authority has acquired a disproportionate veto power.

This system must be urgently corrected, by correcting not only the law but the underlying culture, going back to a Westphalian state, and to a system of Classical education that produces responsible citizens.

The new nuclear reactors can be built in Southern Italy, starting with one per region: Campania, Basilicata, Puglia, Calabria, Sicily, and Sardinia. With a mixed system of EPR (European Pressurized Reactor) and HTR (High-Temperature Reactor) complexes, production of ca. 10 GW can be reached with the first shot. Anti-seismic and other considerations will lead, in some cases, to building the plants on floating platforms off the coast. At the same time, four plants can be built in central and Northern Italy, in Trino Vercellese, Latina, Caorso, and Montalto di Castro, on the same site as the old plants, for a total capacity of ca. 16 GW (16,000 MW). In a second phase, this capacity can be doubled.

Although due to the nuclear moratorium, Italian industry has not built any nuclear plants since 1987, companies such as ENEL, ENI, and Ansaldo (Finmeccanica Group) have continued to participate in international consortia, so that the know-how has been maintained. This means that Italy could start exporting nuclear technology once the first phase of its own nuclear program is completed.

## 2. Transportation Networks

A revolution in freight transport is indispensable in Italy, and will produce a great boost in productivity. Currently, only 10% of commercial goods are moved on rail, 0.1% on barges, and 0.6% on coastal waters, despite Italy's 7,750 km of coastline. The huge remainder goes by truck on the roads, with a great expense for gasoline and rubber, and creation of massive traffic congestion. Producers do not use rail because it is slow and inefficient. It takes a container less time to go from Milan to Berlin than from Palermo to Rome. An effort to change this involves upgrading the rail network, making it faster and more efficient.

Currently, Italy is completing three Trans-European corridors of high-speed rail which connect most of the country's major cities: Corridor 6 (Lyon-Kiev), Corridor 1 (Berlin-Palermo), and Corridor 24 (Genoa-Rot-

### Italy and the Trans-European Project 29



Source: EU

terdam). The Milan-Salerno part of Corridor 1 (Map 1), which involved a major engineering work in its Bologna-Florence Apennine part because of 73 km of tunnels, is already functioning. The Turin-Venice section of Corridor 6 is being completed. The Milan-Genoa

section of Corridor 24 is being developed (Map 2).

The Italian sections of Corridors 6 and 24 are opposed by environmentalist groups, which are often violent, and backed by the media. The environmentalist mobilization against the Turin-Lyon section, which includes a new 57-km-long tunnel under the Alps, has developed into violent clashes with the police and against the construction site (Map 3). Recently, prosecutors in Turin arrested 24 leaders of the insurgents, among whom were two former members of the Red Brigades terrorist group.

The same groups oppose the new Genoa-Milan high-speed project.

Once implemented, however, these three lines will not be sufficient. Italy has 55.4 km of rail per 1,000 km<sup>2</sup>, about half the density in Germany (94.5 km). Italy has 238 km of rail per 1 million inhabitants, as compared to 481 in France, and 412 in Germany. The high-speed section is currently 13 km per million inhabitants, as opposed to 16 in Germany, 30 in France, and 35 in Spain. Furthermore, if we take the conventional lines, only half of the total 22,935 km are electrified, and 9,213 km are single rail. The latter case dominates, for instance, in Sicily.

These figures, however, supplied by the national railway company, do not reveal that a large portion of the secondary lines is in a state of decay. This involves

Italy and Trans-European Project 24



Source: EU

both connections among minor centers as well as lines used by commuters.

Thus, an effort to modernize the Italian railway system means double-tracking the single-track lines,

electrifying half of the current network, and doubling it on a national scale.

In the Mezzogiorno, railway lines must be quadrupled, and high-speed rail lines must be extended beyond the current southern terminal, Salerno, to the tip of the “Boot” and, over the future Messina Bridge, to Palermo.

From Palermo, the line will be continued to the small town of Pizzolato, in the province of Trapani, where a submarine tunnel will connect with Capo Bon, in Tunisia.

The bridge over the Messina Strait will be a major engineering enterprise. With its 3,3 km, it will be the longest single-span suspension bridge in the world (Map 4).

The bridge will connect the two cities of Messina and Reggio Calabria, creating a single, large urban conglomerate, with more than 2 million people. This urban center will be connected by the high-speed line to Central and Northern Italy, and to Central Europe, and, via the same line and the Sicily-Tunisia tunnel, to North Africa.

Part of this center, on the Calabrian side, is the deep-sea port of Gioia Tauro, which could

become the main port receiving cargo ships coming from the Suez Canal. Currently, 30 million containers per year (20-foot equivalent units, or TEU) move through the Mediterranean, and Italy handles fewer

Italy and Trans-European Project 6



Source: EU

than 4 million, 3 million of which are in Gioia Tauro. At least 20 TEU head to Gibraltar, circumnavigate the Iberian Peninsula, and dock in Rotterdam in order to reach Central Europe. It would be much easier to unload the freight in Gioia Tauro, put it on a train, and ship it to the North, but this is not convenient now because of the inefficiency of the rail connection.

Once Gioia Tauro is efficiently connected via rail, starting by making the current conventional rail efficient, while building a high-speed connection to Salerno, freight would take 30 hours or less to reach Berlin, as opposed to the current time of one week.

The high-speed rail must be extended over the Messina Bridge to Palermo and beyond, so that Corridor 1 can be projected all the way into Africa.

This will be achieved with the undersea tunnel to Tunisia, a project of the Italian national research agency ENEA. The distance between the coastlines is about 155 km, and would be reached by five tunnels constructed between four intermediate artificial islands which will be built with the excavated material. There would be two tunnels in each direction, plus one service tunnel.

The tunnel will provide a fast commercial railway route to export capital goods for the development of North Africa, not only from Italy, but from Central Europe as well (Map 4).

**2b. The Maglev**

The Italian railway industry has been weakened by the lack of demand resulting from the slow moderniza-

**Italy: Messina Bridge and Tunnel to Tunisia**



Source: Movisol

tion over the last two decades. Thus, Fiat has sold its Fiat Ferroviaria division to the French Alstom, leaving Ansaldo-Breda (Finmeccanica Group) as the only company able to produce modern locomotives. However, the current government is planning to privatize Ansaldo-Breda too, because its balance sheet is in the red. Ansaldo-Breda produces the newest version of the Italian high-speed train, ETR 500, which was designed in the 1980s.

The new private French-Italian company NTV has now been allowed to run on the Italian high-speed line with the most modern version of the TGV (built by Alstom!) which has a better performance than the ETR-500. Thus, things are looking grim for the Italian rail industry.

However, the Italians could outflank such problems by going for magnetically levitated trains (maglev), after the Chinese model. The Chinese have obtained a license to build the Transrapid, a Siemens technology, on the condition that they do not sell it abroad.

**2c. Waterways**

Italy has a very poor

internal waterway system. Basically, only the river Po is partially navigable, along with a network of channels in the Veneto-Emilia Romagna region which go back to the time of the Republic of Venice.

And yet, the Lombardy region is studying plans for making the Po entirely navigable from the Adriatic coast to Milan.

At the same time, a major waterway could be opened in North-East direction, connecting the river Adige with the Inn,

creating a waterway that goes from Venice to Passau, connecting the northern Italian network to the entire central European waterway system (**Map 5**).

The project, developed by the company Tyrol-Adria AG, foresees a canal-tunnel between the Inn River in Austria and the Adige in Italy, which come within 70 km of each other on the plain. The tunnel-canal would be 78 km long, and would be large enough to allow the passage of barges of the EU Class V. The water would be pumped into the tunnel, creating an artificial current that would push the ships, thus avoiding the use of engines and pollution of the tunnel. The energy for

**Italy and the Central European Waterway**



Source: Tyrol Adria, Ltd.

pumping the water is produced by hydroelectrical plants built along the Inn.

### 3. Earthquake Prevention

Italian territory is subject to high seismic activity. Strong earthquakes with a high toll in terms of human lives and physical destruction are a tragic, constant reality. However, earthquakes will cease to be a threat if a two-pronged strategy is implemented:

a) A general overhaul of existing buildings, according to the most modern anti-seismic construction standards. Whereas recent laws are forcing new buildings to be made according to such standards, older buildings are not. Furthermore, Italy is rich in ancient buildings, monuments, and palaces which are extremely vulnerable to shocks. An effort must be made to at least make strategic buildings safe, i.e., schools, hospitals, and public administration buildings. It has been calculated that this effort would cost at least EU100 billion.

b) Building an effective multiparameter system for monitoring earthquake precursors, to be able to forecast earthquakes.

Earthquake research is very advanced in Italy. There are several teams of physicists and geologists who are studying earthquake precursors, and are already able to be integrated in a multi-parameter system. Prof. Pier Francesco Biagi of Bari University insists that a network of 50 receivers on the ground and 10 geostationary satellites would be enough to build a system capable of forecasting, with 90% probability and 10-15 days of advance notice, earthquakes from magnitude 6 upwards. Biagi has collected impressive evidence of precursors of the 2011 Japanese Tohoku quake using GPS data.

Earthquake prevention should be part of the larger program for the Strategic Defense of the Earth (SDE) proposed by the Russian government.

### 5. Space

Connected to the SDE project is the aerospace sector. Italy has a long tradition in aerospace, starting with Leonardo da Vinci's studies of the flight of birds, and in modern times, with the aerodynamic school in the 1930s, to the early phase of the space programs in the 1960s. In 1964, Italy was the third country in the world to put its own satellite in orbit, after the Soviet Union and the United States. Using a platform built in international waters in the Indian Ocean, at the Equator, Italy launched the "San Marco" project of five satellites, which were sent into orbit thanks to vectors pro-

vided by NASA.

The author of the project was Luigi Broglio, the founder of the Department of Aerospace Engineering at the University of Rome, in 1956.

Since then, Italy has developed its own aerospace industry, which is today part of the state-owned Finmeccanica corporation and established, in 1988, its own space agency, Agenzia Spaziale Italiana. ASI contributed, along with others, to building major parts of the International Space Station. Italian astronauts participate in European Space Agency (ESA) programs and have also been on board several missions of the U.S. Space Shuttle.

Recently, ESA completed the project of the European launch vehicle Vega, with an Italian design, and 63% Italian participation, as a coronation of Luigi Broglio's original vision. Vega, able to carry a payload of 1,500 kg in lower orbit, is currently one of the three available launch vehicles worldwide, together with the French Ariane 5 and the Russian Soyuz.

Italy is therefore best fit to play a leading role in a European-Russian-American-Chinese effort for the colonization of the Moon and outer space.



## Earthquakes & The New Madrid Seismic Zone

The fourth installment in a series of LPAC-TV video presentations on the imminent threat of earthquakes and like forces facing the United States. Here, we move far from the well-known tectonic faults of the West Coast, to an area of the Mississippi River Basin known as the New Madrid Seismic Zone, where powerful earthquakes have wreaked havoc in the past. Today, the region is dangerously unprepared for such a scenario.

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