

# Italian Institutions Show Interest in LaRouche's Approach to Housing Crisis

by Andrew Spannaus

Lyndon LaRouche returned to Rome Sept. 18-20, where he presented his emergency legislation to avoid the social chaos that could result from the rapidly unfolding global financial crisis, and urged Italian political leaders to find the courage to put the financial oligarchy and its hedge funds out of business.

Although the visit came during a political crisis, in which the center-left coalition of Prime Minister Romano Prodi risked losing its majority in Parliament, Italian Deputies and Senators from across the political spectrum were eager to meet with LaRouche to learn about his proposal for a “firewall” against home foreclosures, and the reorganization of the banking system. LaRouche was invited to speak to the Labor and Social Security Committee of the Italian Senate on Sept. 20, which turned out to be precisely when a vote crucial to the future of the majority was taking place (it survived for the moment). During a half-hour break from the official proceedings, LaRouche spoke to members of the Committee on his role in leading the fight to block the Bush Administration's attempts to privatize Social Security in the United States, starting in 2004. He then explained the political fight which has led up to the current situation, in which the general breakdown of the international monetary and financial system requires aggressive and immediate action.

As often happens in official circles, some of the politicians involved in the discussions expressed surprise at LaRouche's forecast of the short-term death of the current system. Despite agreeing with his overall approach on rebuilding the productive economy, they claimed that his warning of a systemic crash is a “catastrophic” view that can only be seen as “pessimistic.” In response to the nervous protests of one Senator, LaRouche repeated that it would be absolutely foolish to assume that the present system will last beyond Christmas of this year, and at the same time, he explained why it is essential that such a premise be established at this time. There are two ways of doing politics, he stated: out of desperation, or based on opportunity. At this time, we have a period of weeks in which decisions can be made that will bury the present system and move the world towards a positive alternative. We have a window of opportunity, and it must not be missed. If the proper decisions are not made now, governments will be forced to act in a situation of desperation, when it becomes much harder to mobilize the population and insti-

tutions around positive alternatives. History is littered with civilizations which have brought about their own demise as a result of failing to challenge the dominant oligarchy of their time (see box).

## ‘Firewall’ in Italy

At both the event in the Senate, and a meeting held with a group of Parliamentarians in the Chamber of Deputies, proposals were raised to adopt some version of LaRouche's Homeowners and Bank Protection Act, in Italy. One official of the Prodi government stated that he is studying the possibility of implementing such a “firewall” policy, in order to protect families against rising mortgage costs and the destructive effects of financial speculation. At the Labor and Social Security Committee, the chairman expressed confidence that European governments still have the power to intervene to regulate the economy as necessary, and noted that the issue of the effects of the housing crisis is already under discussion in Italy. He then requested additional documentation on the debate underway in the United States, and specifically, the data on which LaRouche bases his forecast of the death of the current international financial and monetary system.

This was LaRouche's third visit to Rome this year, where his analysis and proposals are increasingly penetrating the nation's political institutions. In April 2005, the Chamber of Deputies passed a motion calling for a New Bretton Woods conference, in order to avoid financial crashes and rebuild the productive economy, a motion which was directly inspired by the LaRouche movement in Italy. As no further action was taken by the government or Parliament at that time, the New Bretton Woods proposal was presented again at a public conference at the Chamber of Deputies in February of this year. In June, LaRouche discussed the question of an FDR-style recovery program in a high-profile conference with former Economics Minister Giulio Tremonti and Undersecretary of Economic Development Alfonso Gianni; Tremonti, in particular, has been quite vocal in the Italian press in recent weeks, about the global nature of the current financial crisis, while echoing LaRouche's analysis concerning the disastrous transformation of the world economy over recent decades.

The cumulative effects of these initiatives began to be visible during the September visit, in which further steps to broaden the debate were taken—although many of them in



*Lyndon LaRouche (center) and Helga Zepp-LaRouche (right) are welcomed by in Rome by members of the Senate Labor and Social Security Committee. LaRouche urged the Italian politicians to adopt his “firewall” policy against the meltdown of the hedge funds.*

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private settings. One aspect of the discussion which may re-emerge in the coming months, is the question of large-scale infrastructure projects as a crucial component of the global economic reorganization, in which Italy could play a key role, given its history of making such proposals in Europe. In 2003, the Action Plan for Growth presented by Tremonti, threatened the very foundation of the monetarist control exercised through the Maastricht budget criteria, before it was slayed by the financier oligarchy’s central banking system. Following the Schiller Institute’s very successful conference in Kiedrich, Germany the previous week on the question of the Eurasian Land-Bridge, a renewed push for large-scale development

projects is now on the table.

In connection with the circulation of LaRouche’s ideas, *EIR* has been told that certain prominent international economists, including some who have recently set up smokescreens intended to derail any serious proposals which go in the direction of a New Bretton Woods, have been forewarned that LaRouche’s ideas are circulating rapidly in Italy. Indeed, in the current situation, in which the “free market” policies, piloted from London, are so visibly bankrupt, the usual attempts at terrorizing political institutions into impotence, risk collapsing in the face of the increasingly obvious need for urgent measures to guarantee the survival of industrial civilization.

## Two Ways To Do Politics

*In his testimony to the Italian Senate Labor and Social Security Commission, LaRouche responded to a question as to whether he were not being “pessimistic” in his forecast of a near-term blowout of the global economy. Here is what he said.*

There are two ways to do politics. One way is to do politics from desperation. That doesn’t work, or it works the wrong way. You have also the politics which is based on opportunity: When you can mobilize people around positive alternatives, you get a much healthier and more satisfactory response, than if you mobilize them out of desperation. You change the subject from desperation to one of optimism

about, we have a chance to rebuild. Reconstruction. And I think that’s our only chance globally. Because, what can you say, as a government? What can you say to the people of any nation, such as this, when these conditions are coming down? What’s the politics then? Whose throat is going to be cut, or not? Or can you say, wait, there’s a solution to this problem. We can do something. We can solve these problems. We can adopt a credible commitment to changing things.

We may not be able to do everything perfectly right away, but we have a commitment. And the little person, out in the village, who still cares about children and grandchildren, cares about what happens to his family in the future; and therefore, they will put up with bad conditions temporarily, if they’re confident that there’s a commitment by government to ensure that there’s a good result coming out.