

# Italy: The Nation vs. The 'Britannia' Faction

by Claudio Celani

Italian Treasury and Finance Minister Giulio Tremonti, a leading proponent of a New Bretton Woods and a supporter of Lyndon LaRouche's Eurasian Land-Bridge program, has launched a series of initiatives against financial speculation at the G-8 meeting, and in the European Union, which have put the Anglo-Dutch oligarchy on the defensive. As a reaction, the "Britannia" faction is running an operation to topple the Italian government by judicial means. *Britannia* is the name of the British royal yacht, aboard which a secretive meeting took place in June 1992, among leading City of London bankers, and Italian businessmen and government officials, who plotted the privatization of Italy's large public sector industries.

At the Osaka meeting of the G-8 finance ministers on June 13-14, Tremonti called on his colleagues not to impotently watch rising oil and other commodity prices, but to intervene to stop the cause: speculative financial flows. If we do not intervene in time, Tremonti said, not only poor countries will suffer, but Western democracies will be overthrown as a result of the impoverishment of the middle classes. Tremonti proposed to introduce higher margin deposits on the futures markets to eliminate the speculative component of commodity trading.

Two weeks later, Tremonti's proposal was endorsed by Robert Rubin, the former Clinton Administration Treasury Secretary. Rubin was invited to speak at an international conference on U.S.-Europe relations in Rome, organized by the Aspen Institute of Italy, of which Tremonti is acting chairman. On the conference podium, on July 1, according to the Milan daily *Corriere della Sera*, Rubin called for "more transparency and more control on banks' balance sheets, by increasing capital margin deposits for futures." Thus, Rubin clearly sided with Tremonti, against the Anglo-Dutch financial faction which is insisting that commodity-price inflation is due to a "supply-and-demand dynamic."

The appointed leader of that faction internationally is Mario Draghi, the governor of the Bank of Italy and the head of the Global Financial Stability Forum of the International Monetary Fund. Draghi, like Rubin, has been a Goldman Sachs executive, but unlike Rubin, is a lackey of the oligarchy. At the Aspen meeting, Draghi performed his

role, warning against government regulatory intervention in the "free market," and defending his Global Stability Forum as the institutional body to decide about the financial system.

In answer to Draghi, Tremonti told a television news program that evening, that for the Forum to perform that function is "like having the mice guarding the cheese." "Financial speculation," Tremonti continued, "is the real plague of the beginning of this century. Either we defend ourselves from this plague, or we will all be overwhelmed by it, and especially those who have less and those who are poor."

The solution cannot come from a single government, Tremonti said, but, "to stop this excessive speculation, we need a common system. It is no longer time for merchants, for merchant banks, for technicians; it is the time of governments, who must take on their responsibilities, and face issues."

The Italian government, Tremonti said, posed the issue at the G-8 meeting, and will do so also at the European level. Tremonti kept his promise and the next day, in a memorable hearing before the Parliament joint budget committees, announced that he would ask the European Union to apply Article 81 of the European Treaty, which deals with market manipulations, to stop financial speculation on commodities.

In less than 24 hours, reactions to his proposal came from several European capitals, including Brussels and London. The spokesman of the of the Antitrust Commission, Jonathan Todd, said that Article 81 "can be clearly used against all forms of collusion." "I cannot say whether there is evidence of collusion among speculators, but if there were evidence, the article could be implemented."

Although the inertia of the British-dominated EU Commission does not promise a breakthrough on this front, nevertheless, "Tremonti has thrown a stone in the water," the financial daily *Il Sole 24 Ore* wrote on July 4. "If Tremonti succeeds in moving waters, maybe starting from Europe, it will be a step forward in a world overwhelmed by the globalization shocks, that seem to paralyze everyone's capacity for leadership and action, including the large international institutions."

From London, an hysterical Ambrose Evans-Pritchard, international business editor of the London *Daily Telegraph*, who represents a certain faction of the British imperial oligarchy, warned on July 4 that Tremonti's proposal has the backing of France, and could indeed be approved by the European Council, thus badly hurting the City of London. "Article 81 decisions can in theory be pushed through by qualified majority vote, overriding a veto by the British and Irish governments. Any such attempt to restrict the futures and derivatives markets would have a major impact on the City of London and Dublin's financial industry. It is far from clear whether Britain could muster a blocking alliance in the current anti-market climate."

## Tremonti vs. the European Central Bank

The “anti-market climate” is actually a revolt climate growing by the day throughout Europe, as a result of the devastating oil and food price increases which are hitting Europeans in their essential needs. A process of mass strikes has already started, promising to escalate in the Autumn. In Italy, figures published at the beginning of July, show what every family has experienced, contrary to official EU inflation figures of only 4%: Consumer prices for pasta have increased of 22% on a yearly basis; bread is up 13%; energy up 14%; heating oil 31.2%; and gasoline 12.6%.

Consumption is plunging. It has been calculated that an average Italian family is now travelling 500 fewer kilometers, and eating 1.5 kilograms less bread per month. Undersecretary of State for Finances Luigi Casero stated that, “It is all due to oil prices driven by financial speculation.” Economist Alberto Quadro Curzio, of the Catholic University, called for international “agreements to stop proliferation of paper operations. Market purists might disagree, but here we are no longer dealing with a market. We must stop such future operations.”

Agriculture Minister Luca Zaia called for reintroducing import tariffs on wheat, and for lifting quotas that prevent Italy from producing more than 60% of its needs. “EU plans have failed,” Zaia said, “and we are telling Europeans this.” Against food price inflation, “We need to increase agricultural production at the international level, but [we need also] a consideration at national level, i.e., that it is necessary to redraw government responsibilities in a sector that must be put back to producing.”

According to *Corriere della Sera*, Zaia proposes to reintroduce import tariffs in the EU. Last December, the EU lifted so-called “compensatory tariffs” on grain imports, with the argument that this would push prices down. Zaia sees this the opposite way: better to boost European production instead of imports. He also says the EU quota system must be changed: In the case of Italy, 18 million tons of wheat production each year cover 60% of consumption, whereas, “Europe produces more than 290 million tons that partially are exported to Italy at a high price, hurting consumers.”

In face of this reality, the European Central Bank, the real government in Europe, is dictating to EU governments that it plans an inflation target under 2%, and keep wage increases around that figure. Tremonti exposed the absurdity of the government paper he is forced to issue, calling it “a surrealistic document of no use,” speaking at a trade union meeting on June 22. He invited his audience to telephone the European Central Bank, giving the phone number in Frankfurt, to check his story. He called on the trade unions to join him in the fight against the real reason for the oil and food price increases: “international speculation.” “International speculation was first financial speculation and in the past period, after some disasters, focussed on commodities, starting with oil.”

## Momentum Against the Free-Market System

Tremonti has now created a national and international momentum around his offensive against the free-market system. The Anglo-Dutch oligarchy is now mobilizing to stop him in the classic way: by overthrowing the Italian government. To achieve this, it has activated the “Britannia faction,” the nickname applied by *EIR* in 1993, when it exposed the secretive meeting on board the Her Majesty’s yacht. The central figure at that meeting was Italian central banker Mario Draghi, who, in 1992, was the Treasury Minister, and who, since then, has become known as “Mr. Britannia.” On board the Queen’s yacht, Draghi and the distinguished gentlemen from the City of London discussed how to privatize Italy’s huge state sector, which eventually was implemented by Draghi directly by selling banks, steel plants, and infrastructure to private vulture interests.

Italy’s establishment media have recognized the issue at stake in the Tremonti-Draghi conflict. “Tremonti’s analysis is naturally conflicting, today as in 2001, with the ‘techno-crazies’ of central banks, whom the economics minister accuses of a severe shortsightedness in not being able to forecast the dangers of globalization,” wrote *Corriere della Sera* on July 2, commenting on the Aspen Institute meeting. “The governor [Draghi], who was the director of rather hasty privatizations, today embodies a culture aimed above all at strengthening the current system and avoiding in the future, episodes such as the subprimes occurring again. Tremonti, instead, believes that the globalized economic system should be somehow streamlined with political management. Draghi plays the defender and high priest of current rules. Tremonti says that those rules must be rewritten. Maybe, even subverted,” wrote Turin’s *La Stampa*.

However, “Mr. Britannia” is just a lackey. A more important member of the same faction is former Italian President Francesco Cossiga, a British agent of influence who often treats Draghi as his lapdog. Cossiga revealed that the plot is to dump Prime Minister Silvio Berlusconi within the next four months through judicial means, including a sort of “Monica Lewinsky” operation: the publication of wiretapped conversations in which Berlusconi praises the sexual performances of young ladies whom he has appointed to his cabinet as a reward.

Cossiga’s threats must be placed in the context of reviving the larger aspect of the 1992-93 “Britannia” operation. Part of that operation was the “Clean Hands” investigation, led by prosecutor Antonio Di Pietro in Milan. Using the pretext of investigating corporate bribes to politicians, the Clean Hands investigation was used to destroy the entire political system, through a trial-by-media method. As a result, in the Italian Parliament today, none of the parties that founded the Italian state in 1948 and wrote the Constitution are present any longer.

In the recent weeks, Di Pietro, who now leads a small

party called Italia dei Valori (Italy of Values), has dictated policy to the opposition, by launching a campaign to topple Berlusconi. Berlusconi, who is a fool, has provided a pretext for this, by launching a crusade against prosecutors who are investigating him in Milan on a bribe case. Sources have told *EIR* that Berlusconi is manipulated by his lawyer. Belatedly, Berlusconi has come to understand that a solution would be to revive the parliamentary immunity that was lifted in the first Britannia operation, but this has not stopped the jacobin campaign.

The main actors of the original Britannia plot are at it again: Cossiga, Draghi, Di Pietro and others, not to exclude a role by Henry Kissinger, who, at the Aspen Institute meeting gloated that Europe is now abandoning its past of nation-states. Kissinger was questioned by the Parliament Committee for State Security (Copasir) on June 30, for, among other things, his role in the political developments that led to the assassination of Italian statesman Aldo Moro in 1978. One week earlier, at a conference in Rome, commemorating the 30th anniversary of Moro's assassination, LaRouche had blasted Kissinger as a "lackey" of George Shultz. LaRouche had been invited by a former minister, Giovanni Galloni, to present Galloni's book, *30 Years with Moro*. Galloni describes in his book that the main opponent of former Prime Minister Moro's policy was Kissinger, who personally threatened Moro in 1976 with a "bad end," if the Christian Democratic Party leader insisted on pursuing his independent policy. One week before LaRouche's intervention at the Rome conference, Cossiga had attacked Galloni in an interview, precisely on Galloni's exposure of Kissinger's role against Moro.

Cossiga was interior minister when Moro was kidnapped by the terrorist Red Brigades on March 16, 1978. He resigned the day after the assassination, on May 9 that same year. Cossiga is the main figure responsible for the sabotage of police operations throughout that period, which, as it was discovered later, were controlled by the British-directed P2 secret Freemasonic Lodge.

Another member of the Britannia faction is Antonio Martino, a defense minister in the previous Berlusconi cabinet (2001-06), and a member of the Mont Pelerin Society, an international grouping that was set up in Switzerland against the Franklin Roosevelt influence at the end of World War II. On June 24, Martino attacked Tremonti's war against commodity speculation, with an article entitled "Dear Tremonti, I say: long life to speculators." Martino wrote in the daily *Libero* that the phenomenon of speculation "is not at all negative. . . . The only way in which you can earn in this world is to buy cheap and sell dear. . . . This is evident." Since the theory says that speculators buy when there is a lot of supply and prices are cheap, and sell when there is scarcity and prices are high, "the net effect of speculation is therefore stabilizing," and "a destabilizing speculation is to be considered as exceptional." This demonstrates that "the

widespread idea that the high oil price is due to speculation—"there are more contracts than barrels," our unparalleled minister for economy [Tremonti] has stated—is nonsense." Speculators on the futures market just anticipate future prices, forcing us to move early in the search for remedies. "Once again, we are dealing with a socially beneficial activity: speculators, by becoming rich, act in our interest as well."

Martino is the son of Gaetano Martino, a right-wing politician who was key in starting the European superstate in 1955. As Italian foreign minister, the elder Martino organized the "Messina Declaration" in 1955: a meeting of six foreign ministers who decided to found a European Community organization based on a "European Common Market free of internal duties," to be reached in stages. The meeting mandated Atlanticist Paul Henry Spaak to draft a plan, which was eventually approved, and which gave birth to the current "independent" EU Commission.

This leads us to another figure in the picture: State President Giorgio Napolitano. Napolitano is using all his power and influence as the highest state authority to make sure that the Italian Parliament sticks to the failed agenda of the Lisbon Treaty, and surrenders its sovereignty to a European superstate. At the Aspen meeting July 1, Napolitano called for a European superstate that can match the United States as a world military power. Napolitano wished "that the day will soon come when, to speak to Europe, the United States President can call one telephone number and find someone on the other end, who can answer representing and committing the European Union as a whole." Europe "has recognized and recognizes [the need for] strengthening its military capability," and "the distinction between Mars and Venus is wrong." "In Europe, the awareness is growing that it is impossible to rely only on the United States' power to face global crises," Napolitano boasted.

Ironically, Napolitano is a follower of the European Federalist Movement, whose core idea is that a European superstate is necessary to avoid wars, because nations are intrinsically bellicose. This is another lesson in the oligarchy's use of sophistry in history. According to *EIR* sources, Napolitano is intervening personally against journalists who dare to challenge the Lisbon Treaty. In one recent case, Napolitano called up the editor of a national daily to protest the publication of an article in favor of Prof. Giuseppe Guarino's critical book *Ratifying Lisbon?*. According to journalist Maurizio Blondet, Napolitano said that, "Those who are anti-European Union are terrorists. It is psychological terrorism to evoke the ghost of a European superstate." Whatever Napolitano and the Britannia faction might say, the Irish vote has killed the Lisbon Treaty forever. However, it has not neutralized the power of the Anglo-Dutch oligarchy, which is now on the defensive. It is up to us to prevent it from unleashing wars and destabilizations to escape its fate.