

Interview: Sen. Vincenzo Carollo



Freeing the farmer from the cartel: a 'Mattei solution' for southern Italy

A former Italian senator who now heads the state trading company Italtrade, Vincenzo Carollo has come up with a plan to overturn the international food cartel's control over both Italian food produce and international markets.

Today, the products of the very poor region of southern Italy (the "Mezzogiorno"), especially agricultural products, are purchased at bargain prices by the giant food cartel companies, which resell them on the international market, making astronomical profits. Senator Carollo wants to capsize this system by using Italtrade, which he presides over, as an instrument to assure 1) a just remuneration to the producers, and 2) creation of a state company to market southern products' abroad.

The former vice chairman of the Christian Democratic group in the Italian Senate was interviewed in June by Maria Cristina Fiocchi and Giuseppe Filippini for the Italian weekly *Nuova Solidarietà*, which made the interview available to *EIR*.

Q: Senator Carollo, you have an ambitious project for re-launching southern [Italian] agriculture by promoting its sale, at competitive prices, on world markets. In this context, we have read your statement to journalist Edoardo Borriello, in *La Repubblica* of April 26, in which you put forward Italtrade as the most appropriate institution for marketing Italian products abroad. But in the same article, it is reported that Professor Capaldo, the commissioner designated by the Agency for the Mezzogiorno, would tie the government's decision to fund Italtrade, to the firm's abandoning its role of directly marketing the products of the Mezzogiorno.

Carollo: Let's be precise. Professor Capaldo said that, in his opinion, it would be better for Italtrade to undertake a promotional, informational, public-relations and financial-services type of activity, etc., with the aim of facilitating third parties' commercial activities. It would rule out, in his view, the task of marketing, which has other protagonists, but which could be aided by means of financing and credits.

At this point one wonders: If Italtrade undertook only that task, which in itself is very important, would the Mezzogiorno's problems automatically and effectively be resolved? We all know that the Italian Mezzogiorno's economy is negatively out of proportion with the North's, not only because there are fewer factories and fewer employed workers, both in industry and in agriculture, but also because it is hard for Mezzogiorno operators to routinely sell their products outside the major commercial channels which typify northern Italy and the rest of Europe.

Q: In other words the big monopolies.

Carollo: Or the big groups. In short, can the southern farmers sell their oranges in Europe by using the narrow and tenuous paths presently at their disposal? No! It is impossible for the Mezzogiorno's agricultural businessmen to place their products in Germany, in France, in England, etc., because commercial agreements for a few million liras which are typical of our small southern producers are not taken into consideration by the international trade structures, which only move for tens and hundreds of billions of liras.

Q: Hence the peasant, the farmer—

Carollo: —is isolated.

Q: He is isolated, so to whom does he sell these oranges?

Carollo: Well, he sells these oranges, juices, olives, olive oils, and other products to the big producers and traders in those same products. For example, he will sell to UNICA, Buitoni, or Barilla, and perhaps the pasta is made in Palermo or in Trapani, while the brand name belongs to the big northern companies which have total control of the trade channels, and hence can market the product.

Q: For example, a kilogram of oranges which costs 2,000 liras at the fruit seller's: How much does the producer get for it?

Carollo: Not more than 400-500 liras; the markup is four times. And what does the big merchant, the big fruit juice processor, the industrialist who processes the raw agricultural product at the secondary or tertiary stage, often do? This authoritative person goes and buys from AIMA. What is AIMA? It is a state-owned assistance organization, which buys all the farm products which are not sold by the various farmers, and then these products are stockpiled at AIMA by the state, which buys them at 300-400 liras, because otherwise no one would buy them. And the big distribution chains, the major transformers of primary products, prefer to buy from AIMA at the lowest prices. Hence, a kilo of oranges bought for 400 liras is sold for 2,000-3,000 liras; 1 kilo of meat—because the same is done even with meat—stockpiled, purchased at 2,000 liras, is resold for 20,000 liras all the way up to 53,000 liras a kilo—for example, a filet in Milan.

The system doesn't work. Italtrade's job should be, whether in Professor Capaldo's interpretation or in my interpretation, that of helping the mass of producers in such a way as to realize a larger, fairer profit without having to enslave themselves to the big "trusts."

Q: This is also a very important point in the agricultural program of American presidential candidate Lyndon LaRouche, i.e., to reestablish "parity," which is the fair price of farm products, to allow the farmers to be able to have sufficient profit not only to cover their costs, but to make new investments.

Carollo: If LaRouche says this, he is saying something which is very correct. History in its entirety, economic history in particular, is always a history of relations of force. Whoever is strong, hopes and tries to become even stronger at the expense of the weak, and he is strong precisely insofar as the weak remain weak. And then he tries to control, to blackmail, to enslave the small producer, the small trader.

Q: In your Italtrade interview, you spoke of Enrico Mattei [the late head of Italy's state-owned oil company, ENI], that is, of wanting to recreate in your sector what Mattei did in the hydrocarbons field.

Carollo: What was Mattei's objective? Historically, the Italian south is poor because it has lacked industry, insofar as all the protagonists of Italian industry have their factories in the north and in central Italy, because among other things, the most important trading areas are in continental Europe, and they were not then and are not today, unfortunately, in the Mediterranean countries. Fiat, all the chemical industries, where have the factories been placed? In north central Italy, because they were closer to Central Europe, or from Genoa they could go to Spain or Portugal. Mattei took note of this situation and said: But why must we abandon the Mezzogiorno? Let's create industries in the Mezzogiorno, predominantly chemical ones, which use oil and gas from Mediterranean countries, to favor their development and,

therefore, to create an important trading area between Southern Europe, Northern Africa, and the East.

So, Mattei started to plan the installation of big chemical factories—and not just chemical—in Apulia, in Campania, in Sicily, and so forth. He ran into conflict; fierce battles were waged against him by the right wing of the time, national and international, the "Seven Sisters" and their offspring, who were then in Italy. The State, in Mattei's time, believed it was its duty to help those who could not help themselves. The State does its duty when it does this; otherwise, what is the State? Now, if it is true, as it is true, that farmers and thousands of small industrial businessmen are isolated and are, therefore, very weak in the south, which is, after all, half of Italy, well, the State cannot act like Pilate and say, "I'm washing my hands of it."

There is a need to defend those farmers and small industrialists so that they need no longer sell their product for a few cents, so that it can be resold by the national and international trusts for thousands of liras. This is unjust. This is neither socialism, nor communism, nor anything, this is "sociality," human solidarism; anyone on the political level can put on it the shirt he wants, red, white, green, etc. One fact remains: The State cannot be neutral in the face of the great problems of the disproportion of the economy in society and in human rights.

Q: But in this context, if there were the political will, could Italtrade be the instrument? What then would be Italtrade's role and what is your idea about this?

Carollo: Italtrade's role would be that of buying from the producers, craftsmen, small industrialists, and farmers, products which we know can be sold on the world market and which are today bought by the stronger groups, at low prices compared to their market prices. Italtrade would intervene by buying and paying a fair market price, to then sell these products worldwide, collecting in the medium or long term—between six months and a year—for what it sells.

Since it is a state-financed institution, there is no danger that the profits would all end up in this or that manager's pocket. The State's profits are destined to the betterment of the national society. This is the true politics of solidarity, which a State must recognize as its duty, and apply, and cause to be applied.

This is also what undoubtedly corresponds to the teaching of the social doctrine of the Catholic Church in Italy and in the world. In other words, the encyclicals *Populorum Progressio* of Paul VI, or *Sollicitudo Rei Socialis* of the present Pontiff, have a precise purpose which is not that of making the strong ever stronger and the weak ever weaker. Social solidarism in Christian teaching says to use the world's wealth such that it will nourish social justice, and equalize social levels, in favor of all men, given that all men are sons of the same God. One cannot be sons of God only if one is a billionaire, and on the other hand, sons of nothing or of some infernal hyena because one is poor.