

## Italian party debates LaRouchean economics

by Andrew Spannaus and EIR Staff

The debate among leaders of Italy's Popular Party (formerly the Christian Democracy) over the economic reconstruction policies proposed by Lyndon LaRouche sharpened with an article published on July 15 in the party newspaper *Il Popolo*, endorsing LaRouche's ninth economic forecast and calling for a financial reorganization to begin large-scale infrastructure projects. The article was written by a priest, Father Gino Oliosi.

Father Oliosi took on the international financial interests which, through the use of speculation in financial derivatives, "move massive amounts of capital from one continent to another, turning on and off the financial spigots, without regard for the multiple human realities that are affected and involved."

Oliosi took note that Siro Lombardini, a well-known Italian economist and former Minister of State Holdings, sees the possibility of a grave worldwide financial crisis and agrees with Lyndon LaRouche's analysis that the current depression, "significantly worse than that of the '30s," according to Lombardini, "is the result of an anti-industrial, monetarist, and malthusian policy combined with uncontrolled financial speculation."

Lombardini's comments are taken from an interview in the May 19 issue of *EIR*, where he seconded LaRouche's forecast of an early disintegration of the international financial markets as a result of the huge speculation in derivatives, which is sucking the lifeblood out of the world economy. He also backed LaRouche's proposal for a financial reorganization and for new lines of credit earmarked for modern infrastructure and industrial production.

According to Oliosi, the priority for Italy is energy independence, which could be reached by building 30 nuclear power plants by the year 2000. Then come high-speed trains, which must provide new trans-alpine connections with Central Europe. In addition, "new maritime transport to develop waterways and an effective port network; the bridge over the Straits of Messina and the new airport at Malpensa (Milan); a modern system of communications; a modern water system," and advanced technology for industry and agriculture.

### National Bank is key

To finance this, wrote Oliosi, "It is necessary to transform

the Bank of Italy into a National Bank, under the control of the government and the Parliament, to stop the monetization of the debt and to create at least 200 trillion liras (\$130 billion) of low-interest credit per year for a plan of full employment." The national bank concept, going back to the first U.S. Treasury Secretary Alexander Hamilton, is a key aspect of LaRouche's policy for economic recovery.

Raising the national banking issue reflects the level of policy discussion among circles of the former Christian Democratic Party, now splintered into the Popular Party (which itself is splitting in two) and the Christian Democratic Center. The Christian Democracy was the country's dominant political party from the founding of the Italian Republic after World War II until the unleashing of the "Clean Hands" corruption scandal in 1992-93.

Just ten days before Father Oliosi's article appeared, Rocco Buttiglione, the secretary of the Popular Party, had echoed Lyndon LaRouche's proposals for economic reconstruction by calling for major investment in infrastructure projects in order to catalyze massive growth in the private economy, but minus the National Bank:

Buttiglione, writing in the Catholic daily *Avvenire* on June 5, had rejected the Keynesian idea that the State can directly provide work for the large numbers of unemployed (mostly youth) in Italy. This would bankrupt not only the State, but also private industry, he said. What is needed, according to Buttiglione, is to attack the country's 53 trillion liras (\$33 billion) infrastructure deficit. By thus providing the country with an adequate infrastructure network, Italy's industries could begin to create hundreds of thousands, or even millions, of new jobs.

The areas of infrastructure which are lacking, in Buttiglione's view, are Italy's highway network; ports and airports; water and energy distribution; the railway network, which should be furnished with high-speed, high-capacity trains. "All of these things are productive investments that pay for themselves and increase both the efficiency of our economic system and the quality of life of our citizens," wrote Buttiglione.

Gerardo Bianco, the leader of the other half of the Popular Party, made a similar proposal for infrastructure development on Italy's most popular television talk show a couple of weeks before Buttiglione's *Avvenire* article.

The opposite faction weighed in on June 16, when the official Jesuit magazine, *Civiltà Cattolica*, published an article in support of the central bank's independence from national control. Author Gabriele De Rosa, a senior commentator, wrote that for the good of the country it is necessary to defend "freedom and independence" of the Banca d'Italia. De Rosa praised the recent yearly report by Banca d'Italia Governor Antonio Fazio, who insisted that reducing public debt is the first priority and had the nerve to accuse the industrial sector of "feeding inflation" through a policy of high prices.