

# Italian Senators Present Motion for a 'New Bretton Woods'

On Oct. 19, a group of 25 Italian Senators presented a motion to be voted in the Italian Senate, calling on the government of Italy to promote an international "Bretton Woods" conference. The initiative is the latest in a series reflecting the influence of Lyndon LaRouche's proposals, and comes in the wake of LaRouche's latest visit to Italy in October, during which he discussed a New Bretton Woods conference with members of the Italian Parliament.

The motion was published on the same day in the official Parliamentary Acts of the *Gazzetta Ufficiale*. The resolution has also been presented to the Interparliamentary Group for the Jubilee 2000, which will discuss it and decide how to use it in the context of the Interparliamentary Group meeting in Rome on Nov. 4-5, with the participation of 5,000 parliamentarians from all over the world. Several signers of the Senate motion are members of the Interparliamentary Group executive, a body which was formed to promote implementation of Pope John Paul II's social and economic directions for the Jubilee Year.

The first signer of the paper is Sen. Riccardo Pedrizzi, deputy chairman of the Alleanza Nazionale (AN) group in the Italian Senate, and coordinator of the Interparliamentary Group department on "Politics and Relations with Christian Churches." Other prominent signers are Gian Guido Folloni, chairman of the Unione Democratico Cristiana (UDC) group in the Senate, and a member of the Interparliamentary Group executive; and Luciano Callegaro (UDC), coordinator of the Interparliamentary Group department on "Politics and Justice." Other parties represented are the Centro Cristiano Democratico (CCD), and Forza Italia (FI).

Whereas Senator Pedrizzi had already presented a similar motion in February, signed by members of the opposition parties, this time the initiative has multi-partisan support, including Senators from the government coalition parties, Partito Popolare (PPI) and Rinnovamento Italiano (RI).

We publish here the entire text of the motion:

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## Text of the Motion

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It is the view of the Italian Senate

That, for months the international markets have been characterized by total instability and volatility;

That, the financial crises of the 1990s which hit Asia, Latin America, and Russia, have revealed the weakness of the international monetary and financial system; they, in fact,

do not represent isolated or fortuitous cases, but are manifestations of a systemic crisis;

That, financial globalization has led to a complete deregulation of markets, above all, of the most aggressive and speculative sectors, like the "derivatives" financial products;

That, in the past ten years, in particular, there has been a "scissors crisis" between the real economy and the financial economy, which gave birth to a gigantic speculative bubble that has reached at least the amount of \$300 trillion, against a GDP worldwide of about \$41 trillion;

That, this process has had devastating effects not only for economies, but also for the standard of living and quality of life, particularly of the populations of developing sector countries, and extremely negative effects on the levels of production and employment, with social consequences which are very worrisome, in the industrialized countries as well;

That, there is no reason to believe that, without regulation, the process of expansion of the speculative bubble can be stopped autonomously, simply by adhering to the market and its rules;

That, faced with this situation, the international community has tried to reinforce "the architecture of the international financial system," to make the world economy less vulnerable to devastating financial crises, and at the same time to make it possible for all countries to enjoy the benefits of globalization, contributing to the amelioration of these countries' growth perspectives and to the reduction of poverty for developing populations;

That, in a communiqué of April 16, 2000, the International Monetary and Financial Committee, underlined the importance of ensuring "major transparency of economic policy, as a guarantee of a better functioning of the economy of states and of the international financial system." The committee also called for "the implementation of other measures to promote greater transparency of the policies of the IMF [International Monetary Fund] and those of its member states";

## Considered:

That, the adoption of internationally recognized regulations, easily applicable to most speculative and crucial sectors, would allow better economic results;

That, we could deal with this situation only by convoking a new conference at the level of heads of state and government, like the one which took place in Bretton Woods in 1944, with the aim of creating a new international monetary system and taking all necessary measures to eliminate the "specula-

tive bubble,” among them: forms of controlling currency exchange rates, by introducing fixed parities, which could be modified only through the decisions of the sovereign governments, and analysis of exchange-rate conditions of the economies of the emerging countries; analysis of the crises in emerging markets; forms of control of capital movements; the introduction of measures such as the Tobin Tax, aimed at limiting speculative operations such as derivatives transactions; the creation of new credit explicitly oriented toward investments in sectors of the real economy; the definition of great infrastructure projects of continental dimension; the participation of the private sector in the prevention and solution of crises;

That, various countries are compelled to adapt to a system characterized by floating exchange rates, and that the great instability and serious fluctuations of exchange rates of the strong currencies, constitute grounds for concern, particularly for the small economies based on raw materials exports;

### **Considered:**

That, it is indispensable to take into consideration the repercussions of the macroeconomic and structural policies followed by countries with strong currencies;

That, strong fluctuations in the exchange rates of the small and medium-sized open economies, run the risk of a high economic cost, mainly for the weak currencies and the poorest countries;

That, in the context of the present situation, it is useful to evaluate not only the advantages coming from the liberalization of capital movements, but also the risks that such globalization represents;

That, the experience of the recent crises confirms that the coherence of macroeconomic policy and currency exchange policy, sound administration of debts, and efficient control of financial systems, are indispensable elements to reduce the frequency and gravity of the same crises;

### **Binds the Government:**

To adopt concrete measures to contribute to the stabilization of the international financial system and to assure a rational sharing of the benefits which the open world economy could provide, above all for the developing countries, besides assuring the adjustment of monetary policies;

To undertake, in particular, the initiative to propose the convocation of a new international conference, at the level of heads of states and governments, similar to the one organized at Bretton Woods in 1944, with the aim of creating a new international monetary system, and to take those measures required to eliminate the mechanisms which led to the creation of the speculative bubble, and to implement programs to restart the real economy;

To bring this proposal to the Strasbourg [European] Parliament, the European Commission, and to all institutions of the European Union responsible for EU economic policies,

and through bilateral agreements, in individual European governments and parliaments.

### **Signed:**

Riccardo Pedrizzi (AN), vice president of the AN Senate group and secretary of the Senate Finance Committee

Ivo Tarolli (CCD), vice president of the CCD Senate group, member of the Budget Committee

Francesco Bevilacqua (AN), secretary of the Education Committee

Italo Marri (AN), member of the Education Committee

Gian Guido Folloni (UDC), president of the UDC Senate group, member of the Foreign Affairs Committee

Giuseppe Valentino (AN), member of the Justice Committee

Lodovico Pace (AN), member of the Budget Committee

Salvatore Ragno (AN), member of the Public Works Committee

Michele Florino (AN), member of the Labor Committee

Piero Pellicini (AN), member of the Defense Committee

Alfredo Mantica (AN), member of the Finance Committee

Ettore Bucciero (AN), member of the Justice Committee

Renzo Gubert (UDC), member of the Budget Committee

Luciano Callegaro (UDC), member of the Justice Committee

Roberto Centaro (FI), member of the Justice Committee

Angelo Rescaglio (PPI), member of the Justice Committee and of the Environment Committee

Antonino Caruso (AN), member of the Justice Committee

Giovanni Bruni (RI), vice president of the Health Committee

Antonino Monteleone (AN), vice president of the Health Inquiry Committee

Ida Dentamaro (UDC), member of the Constitutional Affairs Committee

Francesco Bosi (CCD), secretary of the Public Works Committee

Arturo Mario Zambrino (AN), member of the Environment Committee

Adriana Pasquali, member of the Constitutional Affairs Committee

Mario Palombo (AN), member of the Defense Committee

Filippo Reccia (AN), member of the Agriculture Committee

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