

sized the fact that in the fight against the effects of globalization, and for a just world economic order, “the name of Lyndon LaRouche has become a household world in Italy.”

One of the important aspects of the legislation on debt relief approved by the Italian Parliament last July, and put into effect by the Italian government only two days before the Milan conference, is that it asserts a certain independence of decision of Italy, as a sovereign country, in respect to supranational institutions such as the Group of Eight, Club of Paris, the International Monetary Fund, and the World Bank.

## LaRouche on Urgent Debt Reorganization

*Lyndon H. LaRouche, Jr.’s memo to the Milan Conference on “Debt Forgiveness and the New Bretton Woods,” was written on Jan. 9, 2001, and read to the conference on Jan. 14.*

I greet the conference, on the subject of Debt Relief and the New Bretton Woods” being convened at Milan’s Catholic University on Jan. 14, 2000.

I think it important, for this occasion, that I emphasize that the present world financial and monetary system is now already hopelessly bankrupt in its present form. Only by putting that system, and most among its associated central banking systems into bankruptcy reorganization, could a viable form of monetary order continue to exist on this planet.

This means that the following measures must be included as an absolute precondition for the existence of viable world monetary and financial order.

1. The cancellation of claims to the most disreputable categories of nominal debt, such as financial derivatives and junk bonds, which are to be adjudged morally as claims of the same nature as gambling debts.

2. The freezing of principal and accruals of interest on much of the world’s total debt, and forgiveness of large portions of such debt, as practical and moral considerations dictate.

3. The reorganization of the world’s monetary and financial structures in a manner consistent with the lessons of the immediate post-war decades: a new monetary system whose design is pivoted upon a system of long-term credit and trade agreements in the range of twenty to twenty-five years, at prime interest costs not in excess of between 1% and 2% simple interest per annum in agreements between sovereign national states.

4. A matching array of fixed exchange-rate parities among currencies, buttressed by capital controls, exchange controls,

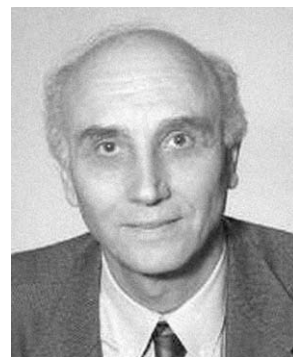
and financial regulation, consistent with the experience of the original Bretton Woods system’s initial two decades of operation.

5. The creation of large volumes of credit by sovereign nation-states, for the purpose of promoting those investments both essential forms of public infrastructure and related hard-commodity private investments needed to bring levels of employment and output up to levels of sustainable long-term physical-economic growth.

The great danger today, is presented by the hysterical demand, especially from implicitly self-ruined financier interests, that their financial claims be honored promptly and in full, with disregard for the effects of such demands upon the victims of such usurious policies. If such demands are not resisted by aid of the kinds of reforms I have indicated, this planet will be plunged into a protracted new dark age for humanity as a whole. By submitting to hysterical demands of such as those self-ruined financier interests, great empires of the past have been left, shattered, in the sands of the desert their empires have become. In such matters, it is the common good which must prevail.

## Rep. Bianchi: ‘There Is No Time To Lose’

*Hon. Giovanni Bianchi’s presentation to the Milan Conference, “Debt Forgiveness and the New Bretton Woods,” was read on Jan. 14. He is a member of the Foreign Affairs Commission of the Italian Parliament. Here are excerpts.*



Globalization is above all the land of promises, and in particular, the promise of greater prosperity for all countries on Earth: a promise which seems just as mythical as that of the socialist paradises promised by Soviet propaganda in its glorious times, something which will certainly happen at an undetermined, future point. In the meantime . . . , well, in the meantime four-fifths of the world’s population live below the poverty level, some of them drastically below it, and there is an entire continent, Africa, which is perennially on the verge of seeing its population eliminated entirely by its numerous endemic demons, which have names such as AIDS, hunger, wars, famine. . . .

The G-8, in its annual meeting at Okinawa, found nothing

better to offer the poorest countries of the world than a recipe based on . . . the Internet. A decision which may favor some multinational company and fit the interests of Japan, which hosted the summit. But it means proposing the latest invention of modern communication science to people who often have neither water nor electricity. . . .

Above all, this proposal goes against one of the criteria upon which debt relief is based: Such relief must go in the direction of favoring the reduction of the gap between rich and poor (it may be better to say, between governing elites of highly indebted countries and the great mass of populations which are at risk of dying of hunger). This means favoring the creation of infrastructure: dams, bridges . . . and plans for education and professional formation. . . .

### **The Catholic Church and the Debt**

The true contradiction, the crux of the problem, lies in the fact that the tools of politics “calibrated” as they are for the national level, are rendered de facto incapable of governing phenomena which, for their very nature, happily transcend borders, moving very large (although also virtual) sums of money from one part of the world to another in a fraction of a second. The only actor which is still able to act with a global dimension in terms of confronting the strategists of the global capitalists, is the Catholic Church, in all of its articulations, from Alex Zanotelli to the frontiers of humanity, all the way to the elderly Pope in St. Peter’s Square.

It was precisely the Pope, who, in his speech to the diplomatic corps last Jan. 13 [2001], recalled a very simple truth; that we can’t go on like this: that a situation in which wealth, culture, and health are confined to a small global elite (and, let’s be explicit, we Italians and Europeans are part of this elite) while the rest of the world is drowning in hunger, desperation, AIDS, and other endemic diseases. The fight against poverty therefore becomes a global political program which today appears both the most realistic and the most difficult, in an epoch in which—and this is the true moral evil—the dollarization of every value and every dignity is the true spirit of the times.

It is important that the Pope was immediately echoed by an important director of the United Nations such as Staffan De Mistura [UN representative in Italy], who, quite honestly, recognized the impotence of his organization in attempting to contribute substantially to this fight. And it couldn’t be otherwise, I think, given that the UN is the expression of the governments which, in turn, are heavily conditioned by transnational economic interests.

Politics can only work partially, and it is in this perspective that the law on foreign debt was developed, which I had the honor and the responsibility of presenting to the Chamber of Deputies: a law which attempts to adapt the needs of a onetime cancellation of debts which some countries had with Italy, and the indication of the basic criteria to be used (that is, including international cooperation, among other things)

when dealing with the indebted countries in the medium term. . . .

If we take a more general view of the issue, we can say that the current period, for the social and political forces of the progressive and reform area, is and will be for some time, more a period of resistance than one of proposals, at least until the strategic question of the possibility of a political and social action which moves to a global level is resolved. (And smashing windows in Prague or Nice is certainly not the best method to accelerate this process.) In the meantime, the old motto of “think globally, act locally” is still extremely current: There are many ongoing initiatives on the theme of globalization and the fight against social injustice around the world. These mobilizations are the result of the energy of associations, parishes, missionary groups, but also of regions, provinces and towns, and names such as Serge Latouche, José Bové, Jeremy Rifkin, Riccardo Petrella, and now, also Lyndon LaRouche, who are now integral part of the debate in our country.

It’s necessary to help this still nameless movement develop a strategy, and construct, step by step, a grid defining its objectives: There is no time to lose.

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### **Minister Patrizia Toia**

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## **Students Must Debate The International Debt**

*We publish here an excerpt of the speech by Patrizia Toia, Italy’s Minister for Relations with the Parliament, to the conference on “Debt Forgiveness and the New Bretton Woods,” on Jan. 14, in Milan.*



I must say that I am very pleased, I must say it openly, to speak about these problems in a university environment, because I, too, believe that the universities, as places of study, research, and where culture is formed and there is time for reflection, can represent very strong instances in the creation of a vast movement. A movement of public opinion, in the most qualified sectors of public opinion, so that these themes do not remain confined to, or only the responsibility of, governments and parliaments, or of merely a small circle of persons or associations. Today, the Church