

# Tremonti Places LaRouche's New Bretton Woods at Center of Debate in Italy

by Andrew Spannaus

Giulio Tremonti, the former Italian Economics Minister and one of Italy's leading political figures, has provoked a national debate at the highest level, over the urgency of abandoning the free-market, globalization policies which have brought the world into the current systemic crisis, and the need for a New Bretton Woods conference to reorganize the international monetary and financial system.

Over the past several months, Tremonti, who has publicly endorsed Lyndon LaRouche's approach to rebuilding the global economy, had already taken to regularly denouncing the radical free-market policies—"marketism," as he calls it—which have led to decreasing standards of living throughout Europe, and the threat of a 1930s-style depression, or worse. However, despite Tremonti's prominent role in Italian political life (Economics Minister, 1994-96 and 2001-05; Deputy Prime Minister (2005-06); and now, Vice President of the Chamber of Deputies), the political and economic establishment was intent on preventing a debate on the reality of the economic situation.

This continued a pattern which has been in place for several years. Starting in 2001, the LaRouche movement in Italy succeeded in convincing numerous members of parliament to raise the issue of a new international monetary system in the legislature. The Argentine debt crisis of 2001, and the bankruptcy of the multinational company Parmalat in 2003, brought the disastrous effects of speculative financial policies very close to home. In 2005, the Chamber of Deputies approved a motion for "a new and more just international financial system," with the objective of "preventing financial crashes and supporting the real economy." Nevertheless, the government refused to take up the issue, despite being required to do so by the approved motion, and the discussion of a New Bretton Woods has remained behind closed doors.

In June of 2007, *EIR* held a conference at the Hotel Nazionale in Rome, in front of the Chamber of Deputies, in which Tremonti and Undersecretary for Economic Development Alfonso Gianni discussed the question of "Marketism or New Deal" with LaRouche himself. On that occasion, Tremonti strongly supported LaRouche's proposal for Eurasian infrastructure development, concluding his speech by



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*Italian Economics Minister  
Giulio Tremonti.*

stating that the LaRouche movement's ideas "must be spread." That event led to a qualitative shift in the level of the discussion in Italy and elsewhere, yet again, "mainstream" economists and the press wanted nothing to do with such a discussion of reality.

## Financial Crisis Provokes Shift

The explosion of the financial collapse which began in July 2007, has provoked a dramatic change. The publication of Tremonti's new book, *Fear and Hope*, and his explicit call for a New Bretton Woods, has led to a national debate over globalization and free-market economics. The book strongly denounces the transformation of the global economy over the past

15 years, in which the new "techno-finance" has been used to create an illusion of wealth which is now coming to an end. Tremonti pinpoints the battle between two conflicting ideologies as that between "Rome and London," that is, between a Judeo-Christian notion of politics aimed at governing the progress of society on behalf of the common good, and that of the British free-market system, typified by the World Trade Organization and the speculative mechanisms which have taken over the economy.

In his book, Tremonti defines free-market economics as the "totalitarian ideology invented to govern the world in the 21st Century," pointing to the threats to Europe, and the destruction of the United States economy. In this context, he also cites Pennsylvania State Rep. Harold James, who, during a hearing at the state legislature on Nov. 29, 2007 on LaRouche's Homeowners and Bank Protection Act (HBPA) proposal, called on political leaders "to take national leadership, in the Spirit of 1776," to offer the nation "a bipartisan solution to the home foreclosure and banking crisis now upon us, a crisis which threatens to set off an economic collapse worse than the Great Depression of the 1930s."

In the concluding chapter, Tremonti makes a number of proposals. While he fails to take on the attempt to create a dictatorial government at the European level through the approval of the Lisbon Treaty, and also leaves the door open to those who wish to manipulate the question of "subsidiarity"—i.e., where the private sector assumes greater control over public



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Lyndon LaRouche addressed a seminar in Rome Feb. 28, hosted at the Italian Senate, on “A Rooseveltian Solution to the International Systemic Crisis.” Left to right: Undersecretary for Economic Development Alfonso Gianni; EIR’s Andrew Spannaus; LaRouche; EIR’s Claudio Celani; Catia Polidori, leader of Confapi (Young Entrepreneurs).

services, thus calling into question the role of the State—he takes up what is destined to become the defining issue of the coming period: the reorganization of the international financial system. Tremonti calls for a New Bretton Woods, in order to control financial markets and reverse the direction of the economy.

In an interview with the TV talk show AnnoZero, Tremonti blasted globalization as a folly invented “by a group of madmen, of mad ‘Illuminati,’ who decided in the last two decades to divide the world into two parts: Asia for low-cost production, and the U.S.A. and Europe for consumption. The result is that the situation has become worse for us, and, in the end, will be worse for Asia, too.” These, he said, are the “madmen who invented techno-finance, sold mortgages, packaged them, and sold them around. Now, all this has failed. Globalization has failed. The crisis will get much worse.” He concluded by saying that the solution cannot come from one country only: “We are thinking about an agreement among large nations, like the one at Bretton Woods; a new Bretton Woods.” A few days later, in an online interview with the wire service Adn Kronos, he repeated the concept: “The New Bretton Woods is the key proposal in my book.”

Tremonti’s formulation of the New Bretton Woods echoes that of LaRouche: “The strong proposal in the book is about a new Bretton Woods, that is, a new global agreement on the terms of currency exchange and trade.” That means, a conference of heads of state and government, to discuss not only a system of monetary and financial rules, but also bilateral trade agreements instead of the current free-market, WTO-dominated system.

### The Establishment Attacks

This time, the reaction from the pro-free-market circles came immediately: *Corriere della Sera*, the country’s leading

daily newspaper, has run numerous front-page editorials which openly, or indirectly, attack Tremonti; and once the floodgates were opened, “the only economic debate worthy of that name”—as one commentator defined it—became a central issue throughout the country. Every major newspaper has taken it up, and while the promoters of radical free-market ideology have done their best to reduce the debate to one of closing borders vs. opening up to the modern world, they haven’t succeeded. Tremonti has garnered significant support, and his decision to emphasize the solution to the crisis—the New Bretton Woods—has allowed him to gain the upper hand in a debate which has the potential to redefine the political situation in Italy, and throughout Europe. The effects of the

“marketist” policies of recent years are too obvious to be denied, and thus, even those who defend globalization are hard-pressed to find arguments that support their own claims. One of the most egregious “mad Illuminati,” the well-known “economist” Francesco Giavazzi, provides an example of the best that they can come up with: globalization brings both advantages and disadvantages, but the disadvantages can only be overcome with more globalization, more privatization and more deregulation. Not surprisingly, this argument hasn’t been particularly effective.

A second reason for the prompt response to Tremonti’s campaign is that Italy will be holding early elections on April 13. The fall of the center-left government of Romano Prodi, which failed to take any serious measures to stem the population’s plummeting standard of living, has left the door open for a return to power of the center-right coalition led by former Prime Minister Silvio Berlusconi. That coalition, as many have observed, is however a strange mix of pro-free market, pro-industry, and populist elements. Thus, Tremonti finds himself in the same party as numerous figures who have attacked him based on free-market orthodoxy.

Clearly, though, the key issue is the potential for a sea-change in the Italian institutions, away from the failed policies of recent years, and in the direction of the proposal advanced by the LaRouche movement. Italy is not a country capable of forcing a change in global policy on its own; indeed, in his recent visit to Rome, LaRouche emphasized that Italy is not a sovereign nation; it is run by the Anglo-Dutch financiers who have their centers of operation in cities such as Bellagio and Siena. However, Italy is certainly capable of posing the question in such a manner as to open the floodgates in Europe, which would represent a factor that the financial oligarchy will be hard-pressed to control in this period of crisis.