

LAROCHE TO ITALIAN LEGISLATORS

## Protect the Sovereignty Of the Nation-State

by Claudio Celani

Lyndon LaRouche and Helga Zepp-LaRouche paid a visit to Rome, on June 17-18, for political meetings and discussions. LaRouche was invited to address hearings at the Finance Committee of the Chamber of Deputies (House of Representatives) and at the Finance Committee of the Senate. Both events allowed him to deliver important messages to a section of Italy's political leadership representing all political factions. The LaRouches were accompanied by the leadership of the Italian Movimento Solidarietà (MoviSol), chairwoman Liliana Gorini, Claudio Celani, and Andrew Spannaus.

LaRouche's presentation at the Chamber of Deputies Finance Committee on June 17 was particularly well-attended and successful. LaRouche was introduced by chairman Gianfranco Conte, as "the economist who forecast the financial crisis, whereas all others failed"; each of the 13 Representatives convened posed questions, and debated with LaRouche at a high level, on the nature of the crisis and its solution.

"The things I will tell you are not necessarily things you plan to act immediately upon, legislatively," LaRouche said at the beginning, "but I think it is all relevant to what you should take into consideration in looking at the matter."

We are now in a process of disintegration of the whole financial and monetary system, LaRouche explained, and, in this respect, the policy of the U.S. Administration is "a catastrophe." At any moment, we could have a breakdown crisis of entire nations, as it is occur-

ring now in the State of California. We must recognize that Europe is impotent to deal with this crisis, because the euro system prevents the nations of Europe from adopting the necessary measures, LaRouche stated.

The solution, as LaRouche has indicated, is to implement bankruptcy procedures for the whole system, as is prescribed by U.S. law: Put the entire system under bankruptcy protection, in which assets pertaining to real economic activities, to the life of the communities, wages, pensions, and so forth, are protected, and the rest is either frozen or cancelled.

Two questions must be posed: Is there the will to do that? And: Can we put together a group of nations able to implement that solution? A four-power combination of the United States, China, Russia, and India would have the power to do that; however, there are currently political difficulties.

The problem is that we have an insane President of the United States, who is bailing out highly speculative assets, and wants to implement a health-reform policy which is the equivalent of Hitler's 1939 "Tiergarten 4" euthanasia program. I am aware that European media do not present the real nature of Obama's health reform, LaRouche remarked, and went on to explain it in some detail.

This issue especially struck the legislators, who asked for clarification, since, as one of them said, "We are told that Obama wants to extend medical assistance to all Americans, and not cut it." He may include more



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*Lyndon LaRouche (third from right), was invited to address committee hearings in both houses of the Italian legislature June 17-18. He is shown here with (front row, left:) MoviSol chairwoman Liliana Gorini; (far right:) BüSo chairwoman Helga Zepp-LaRouche; (second from right:) Sen. Oskar Peterlini, along with members of MoviSol, and others.*

Americans on the list, LaRouche said, but he is cutting medical care for them!

### Wide-Ranging Questions

Questions from the Representatives ranged from the euro system to the dollar crisis, from the “green economy” as a proposed solution to the crisis, to the question, “Why did they let Lehman Brothers go under?” A leading opposition member thanked LaRouche for having said that the Obama policy is “catastrophic,” asking that LaRouche meet with Italy’s Prime Minister Silvio Berlusconi to explain it to him, since the Prime Minister is pushing an “optimism” line on the economy; a member of the government coalition endorsed the criticism of “the system over the last decades,” said that he is personally for a protectionist policy, and asked what the alternative is to industrial outsourcing. Another Representative raised the issue of the “asymmetry” between the global financial system and national governments, and asked what rules should be implemented. One representative admitted he was “strongly impressed” by the “certainty” of LaRouche’s forecast of “a cataclysm,” and agreed that the solution is in the U.S.A.+BRIC (Brazil, Russia, India, China) alliance.

After the first round of questions, LaRouche ad-

ressed the concepts underlying several of the overlapping questions, and explained how he makes his economic forecasts. There is a difference between short-term predictions, based on statistics, and my long-term forecasts, LaRouche elaborated, giving the concrete example of how he based his first forecast of a recession in the U.S.A., in 1957, on evidence he collected of a financial bubble in the automobile sales market. My forecasts, he said, are based on the consequence of either policies adopted, or omissions of policies to be adopted. The problem is that after the 1957 recession, the U.S. never adopted the necessary policies, and so I could forecast the 1971 crisis with the breakup of the Bretton Woods agreement.

All of my forecasts are based on that approach, LaRouche said. Now, again, my forecast is based on the consequences of the wrong policies adopted. Take Obama’s health-care policy for example: It consists of a \$1 trillion cut, and of taking away decisions from medical doctors, giving them to a committee of politicians and financiers, on the model of the British policy called NICE (National Institute for Health and Clinical Excellence). The policy is based on the reduction of life-expectancy of patients. “We are going down the same road that Adolf Hitler went on Sept. 1, 1939,” he said.



*National sovereignty, LaRouche said, is based on national cultures. “We want to have a system in which each culture has its individual sovereignty. We do not want to have a new Tower of Babel, which some people call ‘globalization.’” Shown: Siena Cathedral (early 13th Century) exemplifies a high point of Italian cultural development.*

The other issue, LaRouche said, is that you should forget monetary statistics. We have now a deflationary process in the physical economy, and a hyperinflationary process in the financial economy, thanks to the decisions by the U.S. and European governments to bail out bankrupt entities. The whole system is bankrupt, and we should not bail it out, LaRouche said. It is bankrupt because of gambling, and “when a gambler is bankrupt, you do not bail him out, you send him to the psychiatrist.”

Normally, you would put the system under bankruptcy, because we want to save our industry, our economy, but we went in the wrong direction, and “we are still going in the wrong direction,” LaRouche explained. What we need is to replace the current international monetary system with a credit system, similar to what Franklin Roosevelt did in 1933. Roosevelt’s original conception of the United Nations was a system of sovereign nation-states, free from colonialism, which could develop, thanks to credit issued under a fixed-exchange-rate system. This did not work because, upon Roosevelt’s death, instead of recognizing differences in cultures among peoples, expressed in perfect national sovereignty, we went to a quasi-imperial system run by an Anglo-American alliance.

However, since this system is based on the strength of the U.S. economy and of the U.S. dollar, today, a dollar

collapse would cause a chain reaction globally. LaRouche warned that there are some “fellows in London, who control the chief assistant to the Russian President,” who wish that collapse. Unfortunately, President Medvedev has temporarily gone with the suggestion of sinking the dollar, even against the advice of seasoned politicians such as former Prime Minister Yevgeni Primakov.

### **The Highest Level of Culture**

LaRouche stressed the importance of national sovereignty, a key issue for Europeans who believe in the supranational European Union system. Instead of repairing, or reforming the system, we must “decide which values we want to use for the new system. We want to have a system in which each culture has its individual sovereignty. We do not want to have a new Tower of Babel, which some

people call ‘globalization.’” We have to have “perfectly sovereign nation-states as the unit of organization of society, in order to allow each culture to fully express itself, to bring all peoples to a higher level of culture.”

One of the greatest injuries to Europe in the post-World War II period was the collapse of Classical culture, LaRouche said. You cannot have progress in science if you do not have Classical culture, because that is the source of inspiration for creativity in science (at this point, a committee member exclaimed, “Perfect!”). We have to protect that culture with the institution of the nation-state, fully accomplishing the realization of the 1648 Treaty of Westphalia. “We had a Europe without nation-states, and that was Medieval Europe!” LaRouche said.

LaRouche’s final remarks were greeted by general applause, and many legislators congratulated him personally. A staff member told MoviSol representatives that, according to their standard, the meeting was very successful, both in terms of attendance, and of content. “You hardly find a politician who is so outspoken, and does not play the usual political comedy,” the staffer said.

### **A Public Dialogue**

Mr. and Mrs. LaRouche and the MoviSol representatives also met with the chairman of the Finance Committee of the Senate, Sen. Mario Baldassarri, on June

18. The meeting took the form of a dialogue between LaRouche, Senator Baldassarri, and members of the staff, and it was recorded in order to be posted on the committee website and sent to media.

The discussion focused, in particular, on how to “replace the financial oligarchy with the power of governments,” as Baldassarri condensed it in one sentence, and on why the oligarchy is so “stupid” as not to see that its policies are leading to a general ruin, including of the oligarchy itself. This gave LaRouche the opportunity to develop the contrast between this stupidity, as a “species characteristic,” and the role of culture as the driver of a shift in policy decisions. Again, the difference between the current “monetary” system and a needed “credit” system was discussed, and how to move the United States to initiate a four-power agreement to establish a credit system based on long-term treaty agreements.

The LaRouches also met a group of senators, led by Oskar Peterlini, initiator of the “New Bretton Woods” debate in the Italian Senate in 2005, and most recently, February of this year, in order to plan new initiatives.

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## LaRouche in Rome

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# The Remedy: Put the System in Bankruptcy

*Lyndon LaRouche made these remarks to an informal hearing at the Italian Chamber of Deputies, June 17.*

What I shall say to you will not always be things on which you would be prepared to act, legislatively, but I think it all is relevant to what you should take into mind and take into consideration, in looking at the matters you will have to deal with.

The “good news”—relatively good news—is that we’re essentially in a worldwide collapse of the international monetary-financial system. This is not something for the future; this is what has been happening since July of 2007. It just has been speeding up, and getting to a more and more crucial position, largely as a result of the failure of the United States to do its work in the reforms which could have been implemented in 2007.

The second thing is, the present policy of the present

President of the United States is a catastrophe, which has remedies, however.

Let me start with—first, what was the situation? On July 25th, of 2007, I gave an international webcast, in which I announced that we were on the verge, in a matter of days, of the beginning of a general collapse of the international financial system. This collapse, which I forecast would begin with the collapse of the weaker part of the mortgage banking system in the United States, and internationally. That, of course, happened three days after I forecast it, which is rather fast results, and has continued ever since.

At the present stage, that particular contagion, which started at that point, has now reached the point of a general threat of a breakdown crisis of the entire international financial-monetary system. The good part of the whole story is, that there is a remedy. But, it’s going to be a question of: Who’s going to do it?

We could, at any moment, in terms of days or weeks, we could have a general breakdown crisis, by which I mean a situation, as in the state of California, within the United States, for example, of large sections of the world going into a place where government *breaks down*; breaks down largely for financial reasons. In other words, the government just has no money, and has no money to maintain conventional essential institutions within that state or a number of states.

The entire United States is actually on the verge of such a situation, as are a number of countries in Europe—that is, they’re reaching, the point has not occurred, but the verge of the crash, the verge of a condition under which the income can not be developed by governments to cover essential, traditional functions. And then, simply government just walks away from those responsibilities, because it’s totally impotent.

For example, under the present rules of the European Union, governments have no authority to increase their capital funds. And therefore, in the case of a crisis, the question of an emergency float of capital funds, or injection of investments, as capital investments, to reverse the problem—it doesn’t exist.

So, this is the general condition. We’re also on the verge—at the same time that we’re in a *deflation*, because of collapse of employment and collapse of production (in the U.S., it’s worse now, than it was in the 1929-31 crash. It’s that deep. And this is the condition around the world.) But we’re on the verge, where, in the attempted bailouts of highly speculative financial operations, we’re on the verge of a hyperinflation, like