

# NBW Is a First Step Toward Ending Folly

*Hon. Alfonso Gianni of the opposition party Communist Refoundation (Rifondazione Comunista) is a member of Italy's Chamber of Deputies, and of its Commission on Labor and Welfare affairs. The party belongs to the Union coalition led by Romano Prodi, who is going to be the center-left challenger to Prime Minister Silvio Berlusconi in the 2006 parliamentary elections.*



*Communist Refoundation is a democratic party—not “communist” in the sense most Americans understand that word. Even the Italian Communist Party (PCI), of which Gianni was once a member, was independent from Moscow long before the collapse of the Soviet Union. Its head, Enrico Berlinguer, was pursuing an “historical compromise” with Christian Democrat Aldo Moro, who wanted to have a policy of friendship with the United States, but not dependency. Moro was kidnapped and assassinated by terrorists, in the leading case of the “strategy of tension” run by right-wing networks in Italy, as EIR has documented.*

*Hon. Gianni was interviewed by Paolo Raimondi of EIR in Rome, who is also the president of the LaRouche movement in Italy.*

**EIR:** You were one of the sponsors, along with Hon. Mario Lettieri, of a motion for a New Bretton Woods [NBW]: a new international monetary and financial system to deal with the present systemic crisis. The motion was debated and approved in the Chamber on April 6.

**Gianni:** The debate was very interesting. However, I must be honest with you; I really doubt that this government, led by Silvio Berlusconi, will take these matters seriously, because it is at the end of its term—general elections will be held, at the latest, next year—and also because this government has a “couldn’t-care-less” attitude toward parliamentary documents, if I may use this expression. But what was approved is of great value. The direct reference to Bretton Woods was taken out, because the government representative said that something that was done in 1944 cannot be re-proposed in

2005! But the idea behind this name is still there, and I insisted on this point particularly; that is, an international conference at the level of heads of state and of government which can lead to stable exchange rates, and a truly effective governance of world and international financial markets.

We achieved this significant result thanks also to the stimulus provided to us by *EIR*. During the present legislature, this subject was introduced into the overall budget bill several times; every time it was possible to attach an amendment to a budget bill or proposed law which was coherent with these themes. We did it many times, whenever possible, but without getting a concrete result. This time, on April 6, we got a vote which we can make use of on the international level. Thus the government should feel committed to organizing this conference, together with others. I see it as a first step toward avoiding the folly into which this world has pushed itself.

**EIR:** What are the other steps the Italian Parliament could take with Europe, the U.S.A., and other countries on the international level, to create the conditions to achieve a New Bretton Woods?

**Gianni:** Naturally, if we had a different government, like the one we want to form by defeating Berlusconi in the upcoming elections, we could do many things. There could be a government initiative, possibly preceded by intense diplomatic consultations; there could be an Italian initiative in the European Parliament; there could be a new attitude on the part of the Italian members of the European Commission, who could push in this direction; there should be an intervention at the United Nations. . . . It is clear that if we had the controls of the government, many things could be done, much more than what can be done when you are simply in the opposition.

**EIR:** How do you see the attitude of a possible new Prodi government on these questions of international policy?

**Gianni:** You would have to ask Prodi directly. He has also been President of the European Commission, where he did good things and also some not-so-good things, such as the Bolkestein Directive<sup>1</sup> (which allows for social dumping), even if he is not mainly responsible for it, or the excessive rigor regarding breaking the Maastricht parameters. Naturally, Prodi will have to deal with a number of political forces, including Communist Refoundation, that are explicitly calling for the revision of the Maastricht criteria,<sup>2</sup> not only to make them a bit more “elastic,” which in any case is only a negation, an objection to the absolute nature of these criteria,

but to truly revise them.

Two years ago, there was a document whose first signer was Jacques Delors, and which was later also supported by Italian political leaders, which suggested the introduction of other criteria, for example that unemployment in each country should not be more than 5%, and that illiteracy should not be greater than 3%; in other words, criteria of a social nature, different from the purely accounting-type criteria. Naturally, this does not mean promoting “easy spending” and “happy finances,” but it means recognizing that balancing the budget is not what makes people happy and better off. You can have a budget deficit, and at the same time the poorer people can be better off; or vice versa, the budget can be balanced, while the poor people are doing very badly. The question is, how to respond to the great demands and needs of the European population, which are not satisfied with policies—like those of recent years—which have created the myth and desire for monetary profit and financial speculation, above anything else.

**EIR:** I would like to have your view and analysis of so-called financial globalization in the U.S., Europe, and elsewhere.

**Gianni:** You attribute an expertise to me that I would really like to have, but which, in reality, I still have to acquire. I believe that we have reached a point of crisis in globalization. There are several aspects of this crisis. There is a financial crisis, in the sense that the famous financial bubbles have reached the limit of their capacity; and there is also a crisis in other more specific sectors. I was recently reading in the economic press that the real estate crisis in New York could have an effect on real estate markets worldwide. There is also an overall crisis of the economic system: The so-called American locomotive is not moving forward; the European one is doing even worse; there is growth in China that must be put under control, otherwise China will find itself in serious difficulty; and there is economic growth in India, but on a lesser level. Tendentially, there is a shift in the axis of the economic development from the Western countries toward the East, and this is a very complex shift which must be analyzed with the laws of *la longue durée* [long duration], with the method of Fernand Braudel; it should not be considered a short-term question.

Then, there is also a crisis in terms of political support, and for me this is crucial. Naturally, one could say I think this way because I am affected by ideology. That may be, but I continue to think that people’s subjective attitudes have an effect on the economy. . . .

I mean political support in this sense: There was a period at the end of the 1980s and in the 1990s when people really hoped that an increase of wealth would be a general increase for everybody in the world, even maintaining the economic imbalances. There were poor people who thought, “Okay, the Americans, Europeans, and Japanese will always do better than us, but if they grow, then we too can do better than before.” Then they realized that things were not working this

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1. The European Union’s “Bolkestein Directive” for radical deregulation and privatization was proposed in January 2004. Among its measures is to abandon existing guidelines for loading and unloading cargo at ports, which include strict laws for the protection of labor. The measure has come under heavy fire, and is still being revised and fought over by the European heads of state.

2. The EU’s Maastricht Treaty specifies that member countries may not have a budget deficit in excess of 3% of GDP, among other strictures.

way: The former increased their wealth, but the latter didn't; the former now have stopped growing, but the latter are doing worse than before. Additionally, the massive process of privatization of public goods, such as water for example, has made it impossible for those who have nothing, to use resources that were once available in nature, at zero cost. In reality, the gap between the developed world and the underdeveloped world has increased. Let us remember that at the beginning of the 19th Century, the gap was 1 to 3, and today it is 1 to 73. This is the last figure I remember, and in the meantime it has gotten even worse. This is a gigantic problem.

Then we have the problem of financial globalization, in which the Marxist formula "money-goods-money" is reduced to the formula "money-money." It is known that this monetary growth is actually fictitious growth, because the crisis of 1929, the Great Depression, is just around the corner. The explosion of the bubble, the big crisis, and the disintegration of the "glass empire," are here.

**EIR:** Can you give me your evaluation of Bush's policies?

**Gianni:** There are various thinkers and analysts, including on the left, who have a different view, but in my very modest opinion, I think there is a difference between Bush I and Bush II. It has gotten worse! Bush I applied the doctrine of neo-liberalism, while Bush II is carrying out a reactionary-type operation. He is "God, Country, and Family." The key to this policy is the intensification of military expenditures and a sort of "criminal Keynesianism," as it is called; that is, state intervention which seems to be a negation of liberalism, but is done in sectors like the military one, which then require an increase of military initiatives on a global scale. I read the trip of Condoleezza Rice in this sense, when she harped on North Korea and Belarus.

Now, I do not defend North Korea, a country I visited, and where I also got to know the old Kim Il-sung: I can definitely say that Kim Il-sung is different than his son [current leader Kim Jong-il]. It's the sort of difference as that between an elephant and an ant. I surely do not like family-based power structures, or the big statues. I do not much like Lukashenka of Belarus. But this insistence on being willing to bring democracy and the American model everywhere, smells strongly of preparations for new military campaigns. And these military campaigns move forward very rapidly.

It is clear that it was easy to win against the army of Saddam Hussein, an army which was as faithful to Saddam as I am to Mohammad. In reality, the strength of the Iraqi Army was exaggerated, in order to create an artificial enemy. Its power was actually mostly based on the weakness of others; it was not a real power, and thus it disintegrated rapidly. However, it's quite different to *rule* a country where there are tensions and issues lasting hundreds, if not thousands, of years—with Kurds, Shi'ites, and Sunnis—that one is not able to solve, and where we find al-Qaeda and the forces of terror-

ism organized by powers in the big Arab bourgeoisie.<sup>3</sup> . . .

Today, it is very difficult to manage the Iraqi question. A military intervention in another part of the world is seen as a breath of fresh air for certain American industries. This is why Robert Kagan has written about "the right to war"; it is a shift from the *ius in bello* [conduct of war] of Grotius to the *ius ad bellum* [right to go to war], that is, a regression of civilization. When Samuel Huntington writes of a "clash of civilizations," he should above all worry about the regression of his civilization, because it is now moving backwards compared to Renaissance legal thought.

**EIR:** Let us now look briefly at Europe. You spoke of a revision of the Maastricht Treaty.

**Gianni:** This is a complicated question. I am a fervent supporter of [unified] Europe. I believe that for the popular classes, the best way to fight for social justice is on an international, supranational level. For example, we have seen the battles of the Renault workers in France in solidarity with the Alfa Romeo workers in Italy and vice versa, or also the fight against certain multinational corporations. To think only in national terms today, means to be outside of real politics. We have to at least think in European terms, and from there, think at the global level. We have to think of a Europe based on social criteria. This is a complicated process, because to substitute the two accounting criteria of 3% and 60% [budget deficit and national debt] with social criteria, such as employment, the fight against poverty and illiteracy, is truly difficult. But, if on May 29, I tell you in advance, the French say "no" to the Maastricht Constitutional Treaty, then there will be two alternatives: a crisis of the European process of unity, as threatened by Chirac in an attempt to convince the French to vote "yes," or there will be the beginning of something I would like to see: a long period of open debate which leads to a profound sense of a way to live together; something that should later be codified in a better Constitution. I believe the Constitution is not the beginning of the process, it is the climax, the consolidation of a process which is already in the hearts and minds of the peoples. Trying to do the contrary is like putting the cart before the horse, with the result that the cart does not move, and the horse will get hurt.

**EIR:** Regarding Italy, if you, the center-left, take over the government, what are you going to do on the economy? In the discussions in the center-left parties, I notice two areas in which there is no clarity and a lot of weakness: the question of credit and that of large-scale infrastructure projects.

**Gianni:** I agree with you, but I cannot answer these questions, because the issue of the center-left coalition's program is a work-in-progress, and if I were to say certain things today, I might influence the discussion in one way or another. . . .

3. For a different perspective, see LaRouche in 2004's Special Report, *The Synarchist Resurgence Behind the Madrid Train Bombing of March 11, 2004*.

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The financial question is certainly a very crucial point. I am not an expert in these matters, but I can tell you that we should relaunch and support the ability of entrepreneurs to take risks in investment, with the necessary level of credit for small and medium-sized industries, especially in the Mezzogiorno [Italy's south], to create a productive fabric which has the confidence to move forward. In this way, we would take some power out of the hands of the banks, and give more power to centralized planning that can influence the banks' activity.

As for large-scale infrastructure, my idea is: No to the Messina Bridge and no to high-speed rail. Why? These projects are merely symbolic. We have a country which is vertical, unlike Germany and France, which are almost squares. We cannot create infrastructure for mobility only from the inside of the country toward the outside; we have to create mobility inside the regions, the so-called territorial basins. In my view, the reconstruction of industrial basins means large-scale infrastructure; this means universities, high schools, education and job training, large and small companies, a branched railway network and not merely a vertically organized system; the wiring of big cities, and also smaller towns, and the rebuilding of cultural life. A Renaissance—this term may sound like a bit much—but we need a Renaissance of the country in the horizontal sense, with a center of gravity toward the South. The South is a great resource; Prodi is right on this point. When Prodi says that the world's biggest port is Rotterdam, but if you come from China or India you first pass through Gioia Tauro, in Calabria, and not Rotterdam, this means finding the possibility for future development within a globalized world. In reality, we have a tremendous amount of wealth in our hands, without knowing it. The next government will have to make the development of the Mezzogiorno the central point of national planning, including through the utilization of resources from the European Union for less-developed regions.

**EIR:** I believe that on large-scale infrastructure, both "light" and "heavy" infrastructure, we have to go a bit deeper in the discussion. It is crucial to understand the role of the basic infrastructure for a development policy of a healthy economy.

**Gianni:** I agree with this. I would also like to organize and participate in debates on subjects—to use Enrico Berlinguer's term—regarding "futurology." I have been in politics for 40 years; I began when I was 14 years old. When I was 16, I had

friends about ten years older than me who were working for some public institutions on the navigability of the Po River to the Adriatic Sea. This was 1966, and these projects never got off the drawing board; Leonardo da Vinci did more during his time than we have done today! Now, Italy is a country located on the sea, and if we speak of infrastructure we should immediately speak of "sea highways" for commercial transport, and not only for tourist or military transport. We could do many things: an integrated transport system with railways, seaways, and a portion on roads, which is different than just building high-speed rail or highways only for vertical transportation. If I arrive in Florence 15 minutes earlier, but I cannot move around *inside* the city, it not only just like before, but actually a little worse. This is the absurdity.

**EIR:** No, this it is not what should be considered as fundamental large-scale infrastructure and an integrated transportation system. For example, I believe that in the coming 12 months of the campaign before the elections scheduled for next year, this notion of economy and the role of Italy in the Mediterranean, Europe, and in the larger Eurasian Land-Bridge and Silk Road, and the role of state credit to support these infrastructure projects, will have to be discussed and better understood.

**Gianni:** I would like to learn more, but I think my idea is close to what you are saying. . . . I am also speaking of the idea of "betting" on entrepreneurial capabilities, including of small and very small activities, and assisting them with a network of material infrastructure, immaterial infrastructure such as communications, and credit mobility. We have to take this risk, because we cannot have a situation where money is lent only when it is absolutely certain to be paid back. Today, capitalism has negated itself. This is a forecast Marx made. He was a genius. I repeat that not everything he said came true, but it was not his duty to write history in advance. The great intuitions are those which leave a light trail on a historical journey.

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