

Italy Is Endangered by Unbridled Globalization

Hon. Antonio Parlato is a leading member of Italy's National Alliance party (Alleanza Nazionale, AN). He was elected to the Chamber of Deputies five times from 1979 to 1996, on the AN slate in Naples. During the first Berlusconi government, he was appointed Undersecretary of the Budget Ministry, with special responsibilities for the Mezzogiorno region, Italy's south. As a Parliamentarian, he was one of the most outspoken critics of the tendency toward financial speculation, and initiated several institutional actions on this issue.

He was one of the first supporters of Lyndon LaRouche's New Bretton Woods proposal, and was recently among the first signers of Helga Zepp-LaRouche's Appeal for an Ad Hoc Committee for a New Bretton Woods. He has written several books on history, economics, and social questions, and he founded an economic press agency, Iniziativa Meridionale, dedicated especially to the problems of the Mezzogiorno. Currently, he is president of IPSEMA, the state-controlled national pension fund for all maritime employees.

Hon. Parlato was interviewed by Paolo Raimondi in Rome in the middle of June. The discussion was translated from Italian.

EIR: A few years ago, when you were a member of the Italian Chamber of Deputies, you launched a number of Parliamentary initiatives on the questions of financial speculation and the necessity for a New Bretton Woods. A motion inspired by Lyndon LaRouche was recently debated and approved by the Chamber of Deputies, calling on the Italian government to work to organize an international conference at the level of heads of state and government in order to create a new and just international monetary and financial system. You also dealt with issues related to development and large-scale infrastructure, particularly in the South, or lesser developed part of the world, including in the Mediterranean region. What do you think of this initiative, and what can be done to expand this campaign? What other initiatives would you suggest?

Parlato: The first question, which has been clear for a long time now, is the shift from the real economy to the paper economy. That is, an economy no longer based on development, where credit is mobilized and organized around a specific project. Today, the credit system is supposed to find a way to participate in enterprise by evaluating an economic

plan and then making a line of credit available for development and investment projects. But in reality, the system tends to simply carry out a financial operation. While some financial instruments, like leasing for example, which is expanding a lot nowadays, are growing and still maintaining a relationship to products or services in the real economy, most of these financial instruments are just bets in derivatives, for example, which do not have anything to do with the reality of the economy. Credit is not functioning as a support for development. We are dominated by an old and lazy culture. An aspect of this is the subculture of the world of betting. . . . Soon we are going to see financial betting on whether it will rain tomorrow or not. What we really need, is to support entrepreneurial capabilities with lines of credit.

There is another aspect of this credit question—project financing—which should have much more importance and support. When I was Undersecretary at the Budget Ministry, I strongly supported this instrument, as it represents a capability for recovering investments and producing profits, while building a real project, usually an infrastructure project. Unfortunately, these instruments are victimized by an exhausting slowness in decision-making and growth.

I see these problems as the result of a financial transformation of the economy. It is legitimate to participate in real work and also expect a profit; it is a serious distortion when the guarantee demanded by a bank is two or three times larger than the line of credit granted. Not only does it not have any positive effect on development, but it is even alien to normal banking culture.

Now, because of my new institutional responsibility, I am very worried about the future of the Mediterranean region. Besides the deadline of 2010 for the creation of the free-trade area of the Mediterranean, the real problem is to deal with the risk that the Mediterranean, and Italy along with it, will be forgotten, as Italy is in middle of the Mediterranean Sea. I wonder what the system is doing about this, because trading in this area is centered on maritime transport. Now, we see projects involving networks such as Trans-European Corridors 5 and 8, which connect Central Europe and Asia, while bypassing the Mediterranean region.

The Mediterranean risks being marginalized; this is also related to the size of the new ships, which are several hundred yards long and require harbors with deep-water ports at least 70-80 feet deep. I believe that, maybe with the exception of Seville in Spain, no other Mediterranean port is ready for this. Trieste has some possibilities. But if we do not offer deep-water draft to these ships, then there will be insurmountable problems in the future. And let us not forget that with the closing of the tunnels in the Alps, such as the Frejus Tunnel right now, because of a serious accident, part of the road freight has to be shifted over to water freight.

Italy and all the countries on the Mediterranean do not have the necessary view of infrastructure. "Sea highways"

are a positive answer, but their development is very, very slow. We have to be able to deal with massive trade in raw materials, and industrial and semifinished products. This represents a perspective for growth of cultural relations, but also the possibility of again giving Europe and the Mediterranean a certain amount of autonomy, without the risk of being colonized by the United States, China, or the countries of the former Soviet Union, because it is not possible to have a structure if we don't have a superstructure. We are far behind the rest of Europe, in part because, in a Europe which is not yet consolidated, there are many obstacles, and the policies of individual countries are promoted, instead of supporting projects based on Europe considered as a whole, where logistics is of fundamental importance.

Without logistics, there is no efficient exchange, because if there are bottlenecks between the places of production and the market, the movement of products is slowed down and significant damage is done to the economy. It is like a ship which stays in port with additional costs, while a ship that is constantly travelling is more productive. Logistics is the ability to create intermodal infrastructure that can provide interchanges between one mode of transportation and another, from road to rail to sea, for example. Sea transport is still the most convenient and profitable form of transportation, with less pollution and large volume, more than trucks and even trains, when calculated by unit cost.

EIR: This is important for long-distance transport. You have seen that *EIR* has always emphasized the importance of infrastructure development in the context of the Eurasian Land-Bridge, where Europe, Italy, and the Mediterranean play a decisive role. . . .

Parlato: Yes, I also speak as a man from the South, from the Mezzogiorno, and I must say that if we neglect to point out that Asian markets can be reached not only by rail and road, crossing the states of the former Soviet Union where rail transport has been traditionally developed, but also by water, then there is the risk that the Mediterranean could be left out, except maybe for marginal areas which oil and gas pipelines will go through, such as Turkey.

The problem is that politics is too much concentrated on day-to-day events, instead of looking at long-term investments which consider a period of one or two generations. This undermines the meaning of politics itself, because if politics is lacking, in terms of long-term projects, we lose our sense of perspective, which leads to a demoralization and disengagement of citizens, who lack a sense of participation and orientation. On this question, I recently said in a provocative way on the first national TV channel, that for the next Naples mayoral election—in the Spring of next year—we should simply hold a candidates' competition without the participation of the political parties, because if we only deal with day-to-day life and emergencies, each candidate is almost identical to the others, and we don't need the parties.

The problem is that of defining a political perspective. We have to deal with epochal challenges; with the financial transformation of the economy and unbridled globalization, which allows unfair competition by a number of countries which do not respect the rules we have in Europe on protecting the environment, the social welfare system, and prohibiting child labor. We need to introduce rules to be respected in this process of globalization, rules which are not followed in China, for example, or other countries, which then creates a big problem for competition, because for us, respecting these rules means higher costs per unit of product.

EIR: In this regard, you know that LaRouche, whom you have met in the past, has been promoting this type of reorganization of the international monetary and financial system for a long time, not only with monetary rules, but with a "grand design" of development in mind. . . .

Parlato: That is the right conception. I am happy to hear what you say, because many people are concentrated at the level of the euro against the dollar, and its effect on exports. But we have to deal with a structural question, not just with conjunctural problems like this. We have to find answers to the structural challenges. Conjunctural situations may be positive or negative today, and no longer be there tomorrow. Unfortunately the political class—and managers, too—look at these fundamental questions and challenges as some type of political fantasy, which deals with abstract, absolute issues, which must be dealt with.

EIR: What would you suggest doing to provoke more discussion of these "grand designs," such as the New Bretton Woods proposal, in decision-making circles?

Parlato: . . . The problem arises when economics becomes a mere financial question. I have told the unemployed in Naples many times: You are making a mistake when you show up outside the windows of the government just to protest and demand a job. I understand it is your right and need to do so, but you never protested to demand the building of a bridge or a small port. These projects would create job opportunities. You have to reorient politics towards these ideas and investments.

I am very worried, because I see the lack of ideas on how to deal with the Asian countries, with the increase of population, with the control of raw materials, etc., and in all this, the Mediterranean also risks being set aside and forgotten. Central Europe is clearly interested in a horizontal connection with Asia, but is there a European policy to balance all these things? I do not think so.

What can I suggest? Insist, insist, insist, and insist some more on these ideas like the New Bretton Woods, to create discussion and make people more conscious of this. The way it happened with the Chamber of Deputies on the New Bretton Woods motion. I believe this is the only direction we should take.