

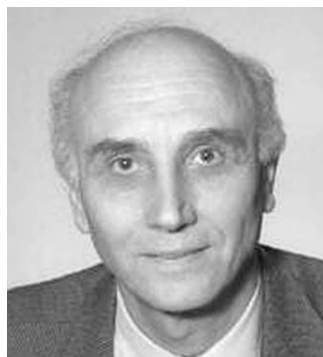
possibility of changing decisions very difficult. Yet, I seem to remember that one of the principles of Anglo-Saxon law was: Better to have a guilty person go free than an innocent in prison. . . . Well, then?

Interview: Giovanni Bianchi

Extinguish the Cancer Destroying the Economy

Hon. Giovanni Bianchi is a Member of Parliament from the Italian Popular Party (PPI). Bianchi was the main speaker in Italy's Chamber of Deputies for the law which says that Italy will cancel \$6 billion of its bilateral debt with the poorest countries of the world. He was interviewed by Liliانا Gorini and Andrew Spannaus in Milan on July 28.

EIR: The law passed by the Senate on debt remission was passed unanimously, which is an unusual occurrence. In the July 20 Catholic daily *Avvenire*, you said that it is not enough to only cancel the debt, but that more cooperation is needed, because otherwise the West risks thinking it has a clear conscience while the real problems have not been solved. How can the situation move forward now, and how, from this standpoint, do you see the summit at Okinawa? Are you satisfied?



Bianchi: No. And this is a resounding “no,” because all the big mountain of Okinawa produced was a little mouse, and a virtual mouse at that. The idea of bringing the Internet to places where there is a lack of water, electricity, food, health care, where there is the risk of epidemics, seems to me, frankly, a bad joke. Ethiopia, for example, is a country which is just coming out of a war, which has an average per-capita income of \$100, and where there is a terrible drought—this, in a country which is the source of the Blue Nile. These contradictions demonstrate that we can no longer even call these “developing” countries, but rather “underdeveloping” countries.

This [Okinawa result] is a line which seeks to promote the business of new technologies which interest Japan in particular, although not only Japan; but it is also a policy which is in contradiction with: the principles established by the G-8 in Cologne, the principles of the Italian law, and also the

orientation of the Italian Bishops Conference (CEI) in this year of the Jubilee, which is moving to intervene in Zambia and Guinea Conakry, but also to establish general and comprehensive principles, such as those which we heard from the chairman of the CEI Committee on Debt Remission, Msgr. Attilio Nicora.

What is this criterion? The criterion is that the funds which become available from the remission of the foreign debt be used to improve the conditions of the poorest segments of the populations of those countries. A somewhat tragic proverb was also used, in order to avoid being sarcastic, which goes: “The money of the poor in the rich countries risks going to the rich in the poor countries.” In those countries, which small elite will be able to use the Internet, if not the upper classes? It is therefore contradictory also to one of the ethical guidelines, in the view of the CEI. Therefore, in this sense, Okinawa, from my point of view, was a delusion, the mountain which produced a little, virtual, mouse.

In this situation though, Italy has done its part. Even the bicameralist system functioned perfectly, in the sense that the Senate passed the same bill as the House, despite the fact that there had been various discussions and even an attempt to change the law by adding macroeconomic criteria which would be used to intervene in highly indebted poor (HIPC) or medium indebted developing countries, or others. It is important to remember that we broadened the criteria of Cologne and the Paris Club, increasing from 41 to 72 countries, for which Italy will cancel its debt.

So, despite the fact that bicameralism functioned perfectly, the comprehensive action, or not-so-comprehensive action (I’m not quite sure what to call what happened at Okinawa) took another direction. Don’t get me wrong, there were some positive elements, such as the modification of tariffs, and therefore the possibility of increasing imports from developing countries. But, frankly, we were hoping for something more. Italy tried to get more, and will continue to try to lead in this direction, especially with regard to the United States, Canada, and Great Britain; and I hope that our country will find the courage and the opportunity to move forward in a bilateral way, since the multilateral situation is difficult. Clearly though, I don’t think we should move completely outside the rules which the G-8 established.

EIR: Given this situation from Okinawa, how do you view the very different position of the American economist LaRouche, in Cenacolo Hall, stated that without a reorganization of the economic system in the direction of a New Bretton Woods, it will be impossible to avoid an explosion of the speculative bubble which is also destroying the developing countries?

Bianchi: There are two or three elements here, which at first may seem a bit exaggerated, but which are actually very real. First, it is undoubtedly true that Okinawa demonstrated how this international economic system, whose aim is globaliza-

tion, cannot function, except in a certain way. In fact, the results of Okinawa are in response to these written and unwritten agreements on which the economy is currently based. I thought a lot about this situation after the meeting with LaRouche, and I must say that I find there is a great gap, even in attitude, between the economic operators and politicians in Europe, for example, and the predictions which LaRouche has made, which I think are correct.

Here, we're supposed to be going toward an economic boom, at the end of the year. Not only are all of the economic indicators seen as positive right now, such that every political faction is attempting to claim credit for the situation, but, by the end of 2000, the boom is even supposed to allow us to deal better with the problems we are discussing, by the time of the G-8 summit in Genoa in 2001.

I think that this is not the reality. I think there is a risk of a crisis, the date of which I obviously cannot predict, since I don't usually look into crystal balls, and I don't even have the data necessary to make such a prediction. What Okinawa demonstrated though, is that there are two risks in globalization: First, that politics is behind the economy, in the sense that the activity in the markets does not correspond with that of society; there is no finality, we have an aimless economy. Second, that this is a totally financialized economy. Every day there is a massive whirling movement, such that a lira in the morning is already a yen in the late morning, and then becomes a pound sterling, only to end the day as a dollar. All of this though, does not correspond to investments. And in fact, the result of Okinawa, support for a certain type of "New Economy" business, goes in this direction, and there is lack of real investment.

The highly indebted countries are the ones which suffer the most from this lack of investment. That is why our law says that the funds which are freed up must be used for the creation of infrastructure. Infrastructure means houses, dams; because, for example, the Horn of Africa suffers greatly from drought, there are areas of desertification.

I found, in my function as speaker for many measures dealing with refinancing the World Bank and the IMF, regarding Italy and its Foreign Affairs Committee, that there are many situations like this, in the Caribbean, Asia, as well as in the Middle East and North Africa. We found situations in which the interventions of the IMF and the World Bank had caused desertification and the migration of large populations. Therefore, in the meetings which we had with the IMF and the World Bank while considering these measures, my colleague [Hon. Marco] Pezzoni and I suggested that not only should these organisms monitor financial and banking procedures, but they should also look at the social consequences of these measures. This idea goes contrary to the financialization of the economy, the bubble. This means we need to rework international monetary relations.

We were not the ones who invented the idea of the New Bretton Woods, and I must say that I have found many people

who were quite sensitive to this idea. It has been mentioned in the Parliament, even before I met with Professor LaRouche, by Pezzoni and myself for example, since we think that this is the correct direction to move. We realize that the foreign debt comes from a specific situation, a situation in the 1970s in which the so-called petrodollar encouraged the elites of these countries to spend enormous sums—or, shall we say, those leaders who are less worthy of Shakespeare and more of [Titus Maccius] Plautus, or of certain types of comedies—impoverishing the population. Thus, there is a financial origin to the problem, and it developed throughout these years of serious financial problems.

The first problem is that these countries contracted their debt in dollars; if this hadn't been so, there would be no debt today. Second, these countries have already paid the debt twice over in interest payments. All of this presents tragic and obvious testimony against the financialization of the economy. Until this situation ends, there will be no solution. This is why we pay attention to LaRouche: Not just because we think he's a nice guy, but because, when we look at the data, and study the situation, we see that there is a cancer in the economy which we must extinguish, which is the total financialization of the economy, in the fact that there is a debt which is \$2.3 trillion, and entire continents (such as Africa, where I often go) which are dying, dying for these reasons, because of drought, because of AIDS.

These problems are due to not only the lack of investment in health care, but also the lack of specific research on the African strain of the AIDS virus, which is different from the strain in the West; and despite the promises which Clinton made, I'm not sure how much has been done toward research and development. It is in this sense, that the idea of a New Bretton Woods sometimes becomes a sort of invocation, on our part, of something completely different from the current, unsustainable situation.

EIR: I think you are referring to Article 7 of the law, which I think is very important. In fact, Monsignor Nicora stated that the government should go beyond merely cancelling the debt, and should ask the International Court of Justice to change the economic parameters, "the rules which regulate the debt of poor countries," and thus, change the economic system.

Bianchi: Here there is a certain element, of an unhappy conscience—yes, here the Hegelian term fits perfectly—the unhappy conscience with which I dispatched this bill from the House after having defended it from multiple attacks. And I must say that at the end, there was a great deal of loyal support from all of the members of the Foreign Affairs Committee, from both the Parliamentary majority and minority, and then the law passed unanimously. Why the "unhappy conscience"?

Certain parameters, including ethical parameters, should definitely have been introduced. At Okinawa though, what happened is that there was a risk that the West would attempt to clear its conscience, and then, through a precise and formal

application of these parameters, would not actually cancel the debt. I'll explain: The fact that the countries must not be belligerent, must not buy weapons, or foster ethnic conflicts, etc., are all certainly important criteria. However, if we look at certain examples, such as in Africa, in Congo there are no less than six foreign armies fighting. Thus, we have situations where the crisis is such that politics no longer has any control over the situation, and it explodes into war. There is a literal application of von Clausewitz, where war is the continuation of politics by other means. What can be done there?

One of the situations which we saw was that of Ethiopia and Eritrea right before the war, where food had been brought, with great difficulty in the distribution, from Somalia, or Djibouti. If that food had not been distributed though, under the justification that those countries were at war, 8 million people would have died of hunger. That is why, yes, the parameters are necessary, but most of all we need to develop a conscience. Because those who sell weapons there, are they not the same countries represented in the G-8? I believe that the ex-Warsaw Pact countries have cleared out their warehouses there, not to mention the British, American, French, and, of course, the Italian land-mines, which are found all over the world. This is the first element, which must be carried out, but with an unhappy conscience. Then there is the attempt to go beyond this economy, beyond the financialization, and call on a policy of new principles, new sources of rights, the Tribunal. In this sense, Italy has worked very well, through the Foreign Ministry, and has worked in this direction also with the help of many jurists.

EIR: Many people who have joined the campaign for the cancellation of the debt, are people whom one would not have

expected: Jeffrey Sachs, for example, the author of shock therapy for Russia, is now part of the Jubilee 2000 campaign. Are there different views among the various groups calling for cancellation of the debt?

Bianchi: Yes, and I must say something here, with a bit of bitter irony. There are a lot of people who convert only when they are already retiring.

EIR: Such as former IMF Managing Director Michel Camdessus?

Bianchi: That's the name that I was about to mention, as well as [Robert] McNamara, who did all of those technological horrors in the jungles of Vietnam, and then later changed his mind. Of course, it is never too late. The Gospel says that even the workers who arrive at the eleventh hour are paid as much as those who were there from the first hour, even though the latter get mad about it. Camdessus, in his conference at Catholic University, when he received the honorary degree there, is a perfect example: I wish he had done this thing when he was still in power. In any case, we would be too picky; it's better that the campaign grow as much as possible.

The problem, I think, is that there are some countries which are able to push forward, to accelerate on a bilateral basis. Because, otherwise, the multilateral action is not enough, someone has to pull the others along. On the other hand, if we look at the bracket which we introduced in our law (within three years Italy will cancel a minimum of \$4 billion and a maximum of \$6 billion), compared to Okinawa, this is a sum equivalent to what was discussed there. Therefore, someone has to lead, has to be the locomotive which pulls the others. Otherwise, we'll have a lot of conversions, but very little generosity.

Poor Nations Must Act for a New Bretton Woods

The Italian Senate has acted, now it's our turn, to move with the call for a New Bretton Woods, writes Dominican Republic columnist Jorge Meléndez in *El Siglo* on July 25 (which was published a day late, because of the electricity blackouts in Santo Domingo). Titled "Italian Senate Ratifies Moratorium," his weekly column reports on the July 14 vote in the Italian Senate, which endorsed an earlier, unanimous vote by the Chamber of Deputies for Italy to unilaterally grant a debt moratorium to the most impoverished developing countries.

Meléndez recounts that the law was proposed by Dep. Giovanni Bianchi, who, along with Parliamentary Affairs Minister Patrizia Toia, "hosted the seminar on the urgent

need for a New Bretton Woods, held on May 23 in the Cenacolo Hall in the Parliament, at which Lyndon H. LaRouche, the economist and U.S. Democratic Presidential pre-candidate, was the main speaker." After discussing the implications of the law for the G-8 summit in Okinawa, Meléndez writes:

"We, the citizens of the Third World, cannot remain passive when, in Italy, one of the world's chief economic powers, they are fighting for us. We must assume our share of the responsibility and support the Italian initiative. The way to do that is by signing the call of the Ad Hoc Committee for a New Bretton Woods, the gist of which we reproduce below. Enough griping about privatizations and globalization. Let's do something positive: I ask you, dear readers, to sign it, and to circulate it among your friends, in your churches, in your schools, in your clubs, and to get it to your Congressmen and Senators, and to other officials."