

## Battle Within the Italian Government

Just a few months after his ouster, Tremonti was brought back into Berlusconi's party, Forza Italia, at the highest level. He is now vice president of the party—in theory, second only to Berlusconi—and thus has the ability to throw his weight around in the political debate. Over the past few months, he has been participating in numerous television talk-shows and public events around the country.

However, Tremonti is not the one determining policy in the Berlusconi government. The Forza Italia itself is a mix of various and opposing elements: While there are some who support pro-infrastructure and growth policies, other leading members are representatives of the ultra-free-market Mont Pelerin Society, and yet another faction is linked to the right-wing, synarchist-leaning groups that are preparing to impose outright fascist policies as the current financial and economic crisis worsens. Furthermore, Tremonti himself is not immune from the market ideology which dominates policymaking today; he boasts of how the Berlusconi government has succeeded in reducing unemployment by making the labor market more “flexible,” just as demanded by every free-market economist in the world today.

As he demonstrated in the Feb. 21 event in Milan though, Tremonti is willing to put up a fight on dirigist policies, and his return to a prominent position in Italian politics clearly reflects a certain amount of institutional support for this position. Tremonti lit into the European Union's rules against state intervention in the economy. The “power of the European Union bureaucracy,” said Tremonti, is just as totalitarian—although it considers itself benevolent—as that of the former Soviet Union. We have “gone from the dogma of Communism to the dogma of the free market,” and the fanatical application of these free-market rules is destroying the productive base of the European economy. The free market penalizes industry, he said, and for this reason we need protectionism. Upon prompting from *EIR*, Tremonti also reiterated his proposal for a regional bank that can promote development in Italy's South, the Mezzogiorno.

## The New Bretton Woods

When *EIR* challenged him to support LaRouche's proposal for a New Bretton Woods, Tremonti brought out his more “practical” side, answering that today, despite the problems of the Stability Pact, the euro now exists and it would be impossible to turn the clock back. We have to deal with the crisis in this context, he said. Throughout his remarks, though, he referred to the importance of continuing what clearly appears to be an uphill fight. “Good ideas have to go uphill,” he said, “but they eventually get somewhere.”

Finally, he noted that someone recently gave him a book against protectionism, written by Italian Mont Pelerinite Antonio Martino (current Defense Minister, and a prominent member of Forza Italia). “We must be making progress,” he said, “because there are already books attacking us.”

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## From the EIR Berlin Seminar

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# French Gov't Policy: Words Belied by Deeds

by Jacques Cheminade

*Here is a speech delivered by Jacques Cheminade, to the Jan. 12, 2005 EIR seminar in Berlin (subheads have been added). Cheminade, a longtime friend and associate of Lyndon LaRouche, ran for President in France in 1994 and 2002, most recently with the Solidarity and Progress (Solidarité et Progrès) party.*

Much was expected of France once she had taken a stand, alongside Germany, against the second Gulf War. Regrettably, however, faced with such great expectations, precious little has transpired.

President Jacques Chirac has often spoken very warmly of peace; he has proposed that a tax be levied on financial transactions in order to help the Third World; and he has moved to intensify our relations with Russia, China, and India. Why then has nothing concrete come from such fine intentions, nothing that would truly prove up to the circumstances? And why has our flamboyant Foreign Secretary Dominique de Villepin been replaced by that drab compromiser Michel Barnier?

The first reason is that our President lacks the steadfastness of political will and determination. In that, he is no different from his European colleagues. The second reason is that our high-ranking civil servants and bureaucrats of all sorts have dug in their heels against change, and taken on a mindset where compromising and submitting to the so-called Laws of the Marketplace have taught them to keep their heads very low. Worst of all, our domestic economic policy, every bit as liberal, in the modern sense, as that of the U.S. Administration, has stifled every impulse that our leaders may once have entertained to stand up and be counted, in the face of the sort of foreign policy that we have seen coming out of Washington.

## Austerity Against Labor, the Elderly

Indeed, the domestic economic and related decisions that have prevailed in recent years, are scarcely such that would rally a nation behind a bold foreign policy. Public expenditure on research and education has shrunk, while de facto, state pension benefits have been slashed; as early as 1993, the Balladur government decided that state pensions would henceforth be pegged to the official inflation rate rather than to wages, and the Fillon Act has raised pension taxes once more.



Lyndon LaRouche (left) with Jacques Cheminade. At the Jan. 12 EIR Seminar in Berlin, Cheminade criticized the French government, despite its anti-American posture, for aping the economic and social policies of the Bush Administration.

As for labor law, the government has pressed for changes, and these changes are being sold under the label of “greater freedom of choice for the individual.” Thus, in individual employment contracts, the parties may now derogate from collective agreements; as a result, on the level of a company, the workforce may find itself at a disadvantage, relative to the stipulations of the relevant collective bargaining agreement. Similarly, attempts are currently well under way to reform the Act of Parliament known as the Aubry Act (Jan. 19, 2000), pursuant to which the work week had been cut back to 35 hours. For the last five years, civil servants’ wages have virtually been frozen, despite high inflation, while health and other benefits have been gnawed away at, gradually but unceasingly. Overall, this adds up to poor labor relations, and scant enthusiasm for any unusual policy the government might care to adopt.

On closer scrutiny, the pretext put forward for all this cutting and slashing, *viz.*, a supposedly “gaping” hole in the Social Security account, turns out, at the end of the day, to be very nearly as fallacious as President Bush’s attempts to parlay the U.S. population into partly privatized pensions.

In France, both employer and employee pay into state national insurance programs, the employer’s share being larger. In recent years, the state has increasingly taken to “subsidizing” business by waiving its right to collect the employer’s share of dues on certain wage categories.

Now, of course, those dues are “gone missing” from the state’s budget. Similarly, the alcohol and tobacco levies, as well as the taxes raised on businesses and industries that have disregarded anti-pollution regulations, are no longer paid into the various national insurance schemes, but rather tossed into the general budgetary pot, to try to make good the national budget deficit. Similarly, owing to mass unemployment, ever-fewer workers pay into the national insurance programs, thus

aggravating still further the Social Security deficit. But the government of Prime Minister Raffarin has plumped for a Guilt Campaign: Both doctors and patients are constantly being denounced in official pronouncements, as well as in the mass media, for “over-spending” on health. This has not only made Raffarin most unpopular; as personal outlays for medical expenses go up, less and less income is available for other categories of consumption.

Although in November 2004 Nicolas Sarkozy, a liberal ideologue close to Tony Blair, and to American neo-conservative circles, was replaced as Economics Minister by Hervé Gaymard, the latter has certainly not broken with his predecessor’s monetarist policies.

M. Gaymard has trumpeted to all and sundry that he will fulfill President Chirac’s electoral vow to slash taxes by one-third between 2002 and 2007, on the basis that “cutting taxes will jack up the employment rate.” That rusty old saw was rolled out for the umpteenth time in Pinochet’s Chile and Margaret Thatcher’s England. But if we are to call a spade a spade, what the French government is actually up to is fiscal austerity. That means whittling away at public expenditure as one cuts taxes for the well-off, meanwhile presuming to pursue a generous international policy and bring succor to poor nations. A flagrant contradiction, that casts doubt upon an international policy whose sole and shaky foundation would appear to be words, words, and more words.

### **Closer Relations with Bush**

Although the French government did, truth to tell, strongly disapprove of the Bush Administration’s Iraqi adventure, our Justice Minister Dominique Perben nevertheless moved to allow the U.S. government to “continue infiltrating France” for allegedly anti-terrorist purposes; those were his very own words, uttered on May 11, 2004 during a trip to Washington. Minister Perben went so far as to acknowledge that the Act of Parliament known as “Perben II,” purportedly designed to combat organized crime, was intended—like U.S. Attorney General John Ashcroft’s Patriot I Act—to “fight terrorism before ever an attack occur.”

How, on the one hand, can a government possibly claim to object to a “preventive war” waged by the neo-conservatives, if it take that sort of legal and political stand in domestic affairs ?

This double-talk has rather overshadowed all the generous, even bold gestures from Paris. Should one be overly astonished were there to be announced, suddenly, and very theatrically, a new era of realistic, *ergo* closer, Franco-U.S. relations, the outcome of which would be nothing but an outbreak of great confusion? One thing is plain though: Whatever may actually be going on, can scarcely be compared to the state of mind of Gen. Charles de Gaulle when, in the 1960s, he confronted a U.S. Administration far less questionable than that of George W. Bush today.

Neither the Chirac government nor the Opposition have



*A LaRouche Youth Movement demonstration in Paris shows former Economics Minister Nicolas Sarkozy (nicknamed Sharkozy) going after other demonstrators with his giant scissors; he is held on a leash by the IMF. The banner says: “World Economic Crisis—Act Quickly for a New Bretton Woods: Join LaRouche.”*

shown the faintest sign that they will actually fight for truth. They have rather sought to defend special interests, whilst pandering to the tastes and inclinations of public opinion.

In a time of crisis, that spells only weakness. Any attempt to be “liked” or “admired,” when one should be leading and guiding, will prevent one from acting with the grandeur the circumstances call for. True love for one’s country and one’s people means placing the dignity of man before all other considerations, and acting in the best interest of generations to come. My task is to inspire my fellow citizens—as well as their leaders—to break with so impotent a world outlook, and to recover the will to fight for justice and peace, through far-sighted principles.

## What Is To Be Done

If our destiny is to be something other than subjection and disorderly confusion, five issues are, to my mind, fundamental:

1) France’s foreign policy must take into account the actions by the forces that support, or are inspired by, Lyndon H. LaRouche in the United States. What those forces are now doing alongside many Democrats, as well as moderate Republicans who cannot abide the neo-conservative and religious fundamentalist milieu, does indeed correspond to our own interests, provided those be well understood! No policy of appeasing the Bush Administration, even if much of that is only for show, can meet the challenge of our time. A struggle that will decide mankind’s fate is under way in America. That must be understood in terms of its consequences for our own conduct, just as de Gaulle saw that the war was world-wide,

and that no compromise was in order with an enemy who had done more than win a major battle, in that war.

2) The Youth Movement that we have sparked off in Europe must become a decisive political factor like the LaRouche Youth Movement in the United States, building the future’s leadership whilst intervening today into the established political parties and forces, so as to draw clear battle lines.

3) In that sense, if one is just such a patriot and a citizen of the world, one can fairly be described as more of a Frenchman than the current head of the UMP, the ruling French political party, namely Nicolas Sarkozy. On a recent trip to New York (people *do* become oddly talkative in America!), he went so far as to declare that he feels like “a stranger in his own country” on reaching the shores of the U.S.A.

4) A dialogue between civilizations and cultures is needed both within our own selves, and within our country, to give our policy a vast enough dimension. Its launching pad

must be what we have in common, the good of all mankind, in order to act on the basis of what defines our very soul, rather than any striving to reconcile diverging dogmas.

5) In the here-and-now, there must be lent a physical and operational reality to the “idea of France” that de Gaulle so often appealed to, one that defines ourselves and our history as a nation-state. In the mind of every Frenchman, therefore, we have got to bring to life those particular moments in history where we were a moving force towards the goal of universal progress.

I love my country, and therefore, just as you do, I expect a great deal of her, more than of other nations. The harsh joy of taking responsibility entails getting her back onto that straight and narrow path, the path where one devotes oneself to the best advantage of all. Unless France recovers this sense of mission, this sense of universality, she will cease to be a nation-state. We shall have to put right those moral and cultural shortcomings in ourselves and in our leaders that have shackled us. Like de Gaulle at London in June 1940, or Lyndon LaRouche speaking from his jail cell between 1989 and 1994, we must carry on even if that means solitude, on behalf of the legitimacy that we serve. Better to be the humblest in a state of true citizens, than raised up to great heights amongst the official compromisers.

Through that struggle, we shall become stronger in our attempt to even save our nations, and especially, despite themselves. Our answer to impending chaos must be change, for there is nothing, whether in the individual human being, or in the Republic, that will remain forever, save change alone.