

BRUSSELS CONFERENCE

Panel Seeks Alternatives to the Euro, Discusses ‘One Belt One Road’ Perspective

by Claudio Celani

June 29—An three-hour [international conference](#) on “The Future of the EU; A New Model of Cooperation Among European Sovereign Nations,” was held June 28 at the European Parliament in Brussels. Host Marco Zanni, an independent member of the European Parliament from Italy, brought together international experts and politicians to discuss alternatives to the failed system of the European Union.

The panelists were Alberto Bagnai from the University of Pescara; Liz Bilney, CEO of the British organization “Leave. EU”; Lega Nord (Italy) economist Claudio Borghi; Michele Geraci, head of the China Economic Policy Program at Nottingham University Business School and professor at Zhejiang University; and Giandomenico Majone from the European University Institute in Florence.

They engaged in a discussion of what Zanni described in his introduction as “different modalities of cooperation among European countries.” The panel presentations were concluded by an intervention by Matteo Salvini, head of the Lega Nord party. Before Salvini’s remarks, Harley Schlanger read a message of support to the conference sent by former Trump campaign advisor Roger Stone (see box).

The main purpose of the event, Zanni said, was to “open a debate, and challenge the rhetoric according to which the EU is the only possible frame of cooperation among European countries. We do not believe in the TINA (“There Is No Alternative”) rhetoric, and we will show the European people that there are better modalities of cooperation. The EU is failing to offer prosperity, cooperation, or peace to the European people. So it is now time to think about alternatives.”

Professor Bagnai opened the panel by presenting an original model for assessing the economic effects of an exit from the Euro single-currency union on the Italian



The panelists at the conference in Brussels, Belgium.

economy. Bagnai debunked fear-mongering scare scenarios offered by pro-Euro propaganda and even academicians, some of whom have gone so far as to forecast a 40% collapse of the Italian economy if Italy leaves the Euro—equal to collapse in World War II!

He presented two scenarios: the “base case,” in which Italy leaves the Euro but does not change its economic policy; alternatively, the case in which Italy leaves the Euro and implements counter-cyclical policies. Such policies, however, would be minimal: simply re-establishing public investments at the pre-crisis levels.

In the base case, it was shown that Italy’s output would drop immediately, but then recover in a few years. In the second scenario, output would start to rise immediately, and reach a four percent growth rate within two to four years. Bagnai demonstrated that there would be no hyperinflation.

The Euro is going to implode, Bagnai said. Therefore “it is a criminal act, not to study a phenomenon that will occur with certainty. The ‘Fathers of Europe’ have built a hotel without emergency exits.

“There are two certainties on Europe,” Bagnai said:

“1) It will end; and 2) Those who run it do not know what to do. This is tragic.

“We have such an incompetent leading class because of the media,” Bagnai continued. “The media are the biggest enemies of democracy.”

We must get rid of the Euro in order to regain “the freedom to implement economic policies, a freedom which is being denied to us,” Bagnai said with passion..

The next speaker, Lega Nord politician and economist Claudio Borghi, focused on the anomaly of the European Central bank, which is subject to no national control, while at the same time it still has absolute power over the destiny of nations which are members of the EU, by means of its decisions to cut emergency money to national banking sectors, as was done for instance to Greece, and has been threatened against Italy.

Take the case of the island of Elba, in Italy, where there is no maternity hospital, and pregnant mothers must take a ferry to give birth to a baby. To build that structure would cost 20 million euros, but they say there

is no money. What would happen if the ECB, instead of printing 1.2 trillion of “quantitative easing” money, prints 20 million more? We would have a hospital on Elba.

Prof. Majone polemically addressed the fact that the European Union does not have a goal. “An ever closer union” is not a goal, but a process. Imagine Bismark or Cavour saying “we want an ever closer union” of the various states of Germany and Italy of that time. We would not have the nations of Germany and Italy today. And in the EU, there was disagreement on the goal from the beginning, so that a collective rational action is impossible. The solution, for Majone, is an integration of functions, and not of territories.

Liz Bilney, head of the British “Leave.EU” campaign organization, explained that a borderless Europe, working consistently on all aspects of politics, economy, and society, is not realistic, because of the principles of democracy and national identity: “We trust our own countries’ governments, because we recognize

Message from Roger Stone

I am sorry I could not be with you, as I had hoped to be. I fully share your concerns with the outrageous, unregulated speculative practices of the so-called Too-Big-to-Fail banks and the “shadow banking system,” and the protection of those practices by governments and Central Banks. The repeal of Glass-Steagall regulation in the United States in 1999 opened the door for scandalous speculation, which drew credit away from productive businesses and industries, and allowed for the creation of numerous debt bubbles, with banks carrying large volumes of non-performing loans. When these bubbles popped, it was the people that paid, through loss of jobs, businesses, home foreclosures, and useless and painful austerity measures, while the banks and financial institutions were given bailouts of taxpayer’s money, and now are allowed to conduct “bail-ins,” taking money away from their clients.

This process played a major part in the election of Donald Trump as President, who campaigned to put an end to these practices. His election victory was due to the rejection of the Bush machine in the Republican Party, and the Clinton machine in the Dem-

ocratic Party, both of which had the support of Wall Street and the City of London, as many voters were fed up with the arrogance of those who used fancy economic models to steal the bread from their tables.

But the people behind these schemes and scams are now trying to remove Trump, in what is really an attempted coup, to prevent him from restoring real growth to the American economy, among other significant reforms he is proposing. It is my hope that President Trump will fulfill his campaign promise, to repeal the banker-and-derivative friendly Dodd Frank bill, and replace it with restoring Glass Steagall.

I commend you for your efforts to address this problem in the European Union, and wish you great success in presenting alternatives that will restore the functions of government to the people of their respective sovereign states, and take power away from those whose rapacious greed has led to poverty and war.

I look forward to being with you at some point in the future.

Roger Stone is a legendary political operative, who helped elect Presidents Nixon and Reagan, and was a key mover in the 2016 victory of Donald Trump. His book, The Making of the President, 2016, is a must-read for anyone who wishes to understand the Trump victory.



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ourselves in them, or at least we should.”

Lega Nord head Matteo Salvini compared the European Union to the former Soviet Union, reading a prophetic statement issued in the European Parliament eleven years ago by former Soviet dissident Vladimir Bukovsky. Among the current policies of the EU, Salvini blasted the sanctions against Russia, which is “our natural ally” in the fight against terrorism.

Salvini said it is indispensable for Italy to leave the Euro.

(The Lega Nord has recently scored major victories in local elections in a center-right alliance with Berlusconi’s Forza Italia party and the right-wing Fratelli d’Italia (FdI). Both the Lega and FdI are strongly in favor of a re-introduction of [Glass-Steagall](#) separation of investment and speculative financial banks, and have introduced draft bills to that purpose in Parliament.)

The ‘New Silk Road’

Professor Geraci, who has been living in China for the last ten years, presented a picture which “is not well perceived in Europe.” China’s fight against poverty is a fantastic success, he said. Per capita income in China has grown a hundred-fold in the last 40 years. China intervened powerfully with a dirigistic policy when it realized that manufacturing growth had been zero in 2015, and introduced its “Made in China 2025” plan. Immediately, production zoomed again. The Chinese government is regulating the process of internal migration with a yearly migration plan, choosing how many people, and of what categories, are allowed to migrate

from the countryside to the cities.

As good as his picture of China’s development is, however, Geraci warned that by means of the One Belt One Road (OBOR) policy, China will be able to invade the West with exclusive high-tech products which China’s industry is already developing.

[Claudio Celani intervened](#) at the onset of the question and answer section, introducing himself as vice-president of Movisol, which is the Italian section of the international La-Rouche movement. He addressed Geraci’s presentation, rejecting the idea that China could be a threat, and insisting that the OBOR policy is a new paradigm and an opportunity for development. OBOR represents exactly those counter-cyclical policies which Professor Bagnai had advocated in his presentation, Celani said. He reported that in 2011, the Chinese had proposed to the Italian government to help build infrastructure to make Sicily into “the Manhattan of the Mediterranean,” including ports, airports, and a connection to the Italian mainland through the Messina Bridge and high-speed railways.

Professor Geraci responded positively, thanking Celani for an intervention that allowed him to make a distinction between trade policies and investment policies. On trade policies, we must watch out, and be able to defend our products, he said. On what are called “green field,” or ground-up investments, “they are welcome, because they create jobs, develop infrastructure, and so on.” China is the only country in the world that can mobilize capital, manpower, raw materials, and knowledge all together, Geraci stressed. While Italy has discussed the two-km-long Messina Bridge to Sicily for over a century, it has not yet built it; “in Shanghai, where I live, they built a 32-km-long bridge over the sea.”

Garaci continued with another example: at the time of the serious earthquake in 2008, which caused a hundred thousand deaths, the area the earthquake struck was in the countryside, requiring a four-hour drive plus a mule-ride. “They picked up a project for two tunnels, and in three months they built the equivalent of the Mont Blanc tunnel, two times ten kilometers.” These are the sorts of projects we should support.

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In discussions off the record, it became clear that some speakers had more fearful views of China, which are probably due to an incorrect understanding of economics. This shows that “populists” must be educated. The Brussels meeting was an important step in this process.