

‘NEO-COLBERTISM’ OR DECADENCE

Italy Offers EU an Initiative For Infrastructure Development

by Claudio Celani

On the eve of the Dec. 12-13 Copenhagen summit of the European Union, the fight inside the EU, on whether to change the strict free-trade policies embodied in the Maastricht Treaty, took on a new dimension, involving the issue of the enlargement of the EU. Whereas one faction, strongly represented inside the European Commission in Brussels, insists on building a large free-market zone including ten new member states, another faction, represented by some EU member governments and other forces, wants to drop these neo-liberal policies, and adopt what Italian Economics Minister Giulio Tremonti characterized as a “neo-Colbertist” approach, in which the state plays a crucial guiding role in economic policy.

As a first step in this direction, the Italian government published a proposal aimed at shifting the emphasis from the enlargement issue, to that of building infrastructure corridors across those very countries which are candidates to join the EU. The Italian proposal echoes the recommendations issued by Lyndon LaRouche during his visits to Italy in the last two years, most recently in Milan on Nov. 23-25 (see *EIR*, Dec. 6).

The Italian government has proposed that the EU enlargement be subordinated to “the realization of strategic infrastructure, both material and nonmaterial.” In particular, Italy is interested in the accelerated realization of three “trans-European corridors” (see **Figure 1**): No. 5 (Trieste-Ljubljana-Budapest-Lviv-Kiev), No. 8 (Bari-Durazzo-Skopje-Sofia-Burgas-Varna), connecting the Black Sea with the Adriatic, and No. 10 (Salzburg-Ljubljana-Zagreb-Belgrade-Nis-Salonika). These three corridors are part of the Trans-European Network (TEN) of rail corridors identified at the EU’s Crete conference in 1994, whose realization has been hindered by lack of financial resources, due to the Malthusian-style Maas-

tricht policies.

Parallel to the proposal to accelerate the realization of the trans-European corridors, the Italian government proposes that EU member states proceed with the same urgency to upgrade their national infrastructure systems. In order to do so, it is necessary to introduce “quotas of re-nationalization of regional development policies,” says a technical paper prepared by the Economics Ministry, to synopsise the Italian requests at the Copenhagen summit. After identifying the three TEN corridors that are of special strategic interest for Italy, the paper says: “Corridors 8 and 10, although interesting for our country, presuppose the existence of national networks ready to connect with them, to bring benefits to the Italian transport system. For Italy, therefore, the absolutely determining and central role is played by Corridor 5, because it represents the key axis of national communication networks, internal and international ones.” The paper then calls for an “EU-Italy” pact, to make sure that those national infrastructure projects play a European strategic role, to “open the way for ‘national’ authorization procedures” and “differentiated fiscal policies.”

Italian Economics Minister Tremonti took the unusual step of publishing an op-ed, signed together with the chairman of the Association of Italian Industrialists (Confindustria), Antonio D’Amato, to accompany the publication of the “technical paper” in the business daily *Il Sole 24 Ore* on Dec. 11. Tremonti and D’Amato announced the Italian initiative in the EU, stressing that the strategy of infrastructure corridors requested by Italy, especially the development of Corridors 5 and 8, will allow Italy “to exploit, to the advantage of the whole continent, its position in the middle of the Mediterranean, as a crossroads of traffic with Far East Asia.”

Shift to a 'New Deal'

The Italian initiative intersects a wider European movement to get rid of the Maastricht Treaty's monetarist straitjackets, since Europe faces a deepening international crisis which requires public investment policies. Part of this process is the discussion on the revision of the EU's "Stability Pact," with proposals coming from Italian, French, and also German quarters, to decouple investment spending from budget accounting. What is required, however, is a fundamental reversal of economic policy, abandoning free-market neo-liberalism outright. Many think that, but few say it in public. Again, the Italians are the most outspoken, partly because Italy displays a greater urgency for physical investment than its EU partners, partly because of the influence of LaRouche's ideas on Italian political elites. This is shown, for instance, in statements by Minister Tremonti in the Turin daily *La Stampa* on Nov. 16, and repeated on national television on Nov. 21, in which he called for a shift to "neo-Colbertist" policies, a European New Deal, and the adoption of protectionist measures against free-market globalization.

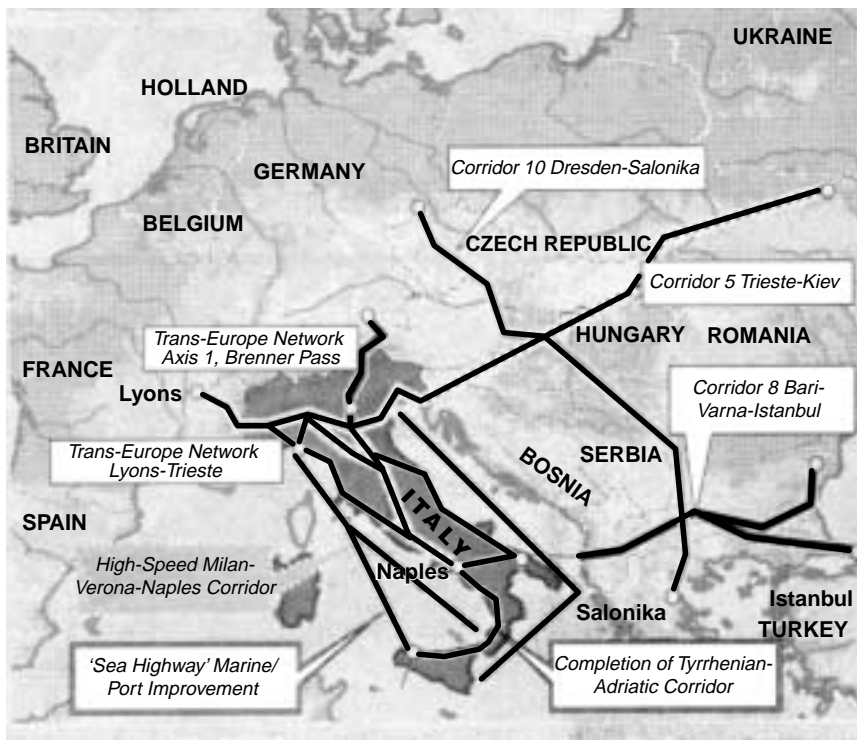
According to Tremonti, 9/11 has brought to the surface latent crises. "In a few years, two continents have disappeared," he said. "No news comes from Africa any longer. South America alternates between autarchic temptations and global alliances, combining modern finances with archaic politics. Roads, trade routes disappear. On American maps, routes are marked with the warning: Bandits. Forbidden areas come back, we begin again, as in the Middle Ages, to write: *hic sunt leones*." ("Here there are lions.")

Tremonti criticized the "utopia of privatizations," which often has resulted in property changes, each time marked by the increase of debt. Yet those firms which were kept under state ownership are today in good health. Against the "decline" of the country, Tremonti said: "We could even take the direction of a new New Deal. Using the state."

The market, for Tremonti, is not an "idol": "If, in the East, they produce at a cost of 10, a valve which here costs 100, it is not possible to compete, tax reductions cannot help. We must intervene. Once, one would have reacted with the introduction of tariffs; now, we must impose conditions of reciprocity. . . . Those countries which make products but do not impose social obligations upon their producers, are putting Europe aside. This is an asymmetry which we must correct—not to deny, but to establish market conditions. It will be a

FIGURE 1

Italy's 'National Projects in Europe's Interest'



Source: Government of Italy; published in *Il Sole 24 Ore*.

The Italian government proposed that "enlargement" of the EU by 10 more countries, be subordinated to real expansion: "the realization of strategic infrastructures," particularly new corridors of high-speed transport.

fundamental issue."

La Stampa reported that the idea of "market corrections through the state" was born in the context of growing contacts between the Italian Economics Ministry and other "economic chanceries" of Europe. Tremonti then mentioned a project being studied internationally, "Plan B," which would move the New Deal from a phase of study and elaboration, to a phase of interventions and reforms—but he refused to say more. "We have the cultural means to correct the market asymmetries, to project, if necessary, a new New Deal. . . . We want a dialectic of products and duties, neo-Colbertism, New Deal, correction of market asymmetries."

A New Bretton Woods

However, none of the policies advocated by Tremonti can be successful, unless a general reorganization of the world financial and monetary system takes place. The standard on this issue has been established by the resolution issued by the Italian Chamber of Deputies on Sept. 25, calling for a "new financial architecture," otherwise known as a New Bretton Woods. Some factions in Europe, blind to the systemic nature of the world economic crisis, are

LaRouches Speak To Berlin Seminar

Continuing rapid-fire interventions throughout Europe, for a move by Eurasian nations to avert war with cooperative action to stop the depression collapse, Lyndon and Helga LaRouche addressed an overflow crowd at a Berlin *EIR* seminar on Dec. 18. Diplomats from Arab, Asian, African, and East European embassies; ten representatives of Arab, German, and Asian media; university and other activists from Germany, France, and Scandinavia; and economists and businessmen heard LaRouche speak at the Westin Grand Hotel on Berlin's famous avenue Unter den Linden. The Berlin seminar followed immediately the major Budapest presentations by LaRouche, reported in this issue's *Feature*.

Lyndon LaRouche noted that he will give his own State of the Union message by webcast on Jan. 28, 2003 just days after U.S. President George Bush will have given his; LaRouche will comment on what Bush will have said,



and what he will have omitted. You cannot say what U.S. policy is going to be, he told the Berlin audience, until after these two speeches have been given.

He compared the current economic and strategic crisis to the crisis of 1928-33; this topic, in depth, was the subject of Helga Zepp-LaRouche's remarks to the seminar.

hysterically blocking the issue. A case in point is the position expressed by the European Commission, through its representative Pedro Solbes, in answering an official interrogatory filed by Member of the European Parliament member Cristiana Muscardini, of Italy. On the basis of the resolution adopted by the Italian Chamber of Deputies, Mrs. Muscardini had asked whether the European Commission would adopt the same resolution and take initiatives to organize a New Bretton Woods conference. The answer reads: "The Commission does not intend to convoke an international conference to remedy the consequences of the speculative bubble." In a malicious twist, Solbes added that the Commission also "does not intend to adopt initiatives aimed at directly stabilizing investors' wealth," slanderously implying that this was the concept behind Muscardini's request. Also, referring to the data on the global speculative bubble cited by Muscardini, taken from the Italian Deputies' resolution, Solbes wrote, "The Commission cannot directly confirm the data mentioned in the written interrogatory."

That hostile and arrogant answer demonstrates the opposition of the European Commission to acting on behalf of the common good of the nations represented. And this comes from an institution which looks forward to becoming the "government" of Europe!

Cardinal Tettamanzi Speaks Out

The behavior of the EU Commission exemplifies the situation when a society, in its leading institutions, prefers to hang

on to its ideology, even if this ensures that the society, and those institutions themselves, will go under. This attitude was blasted by a prominent leader of the Catholic Church, Milan Archbishop Cardinal Dionigi Tettamanzi, who is among the most outspoken critics of globalization inside the Church. Cardinal Tettamanzi gave his "State of the City" address on Dec. 6, the feast of St. Ambrose, following a tradition inaugurated by Pope Paul VI, when he was Archbishop of Milan. Tettamanzi compared the current situation with the times of St. Ambrose, the former Roman governor who became Bishop of Milan in 374 B.C. There are "worrying analogies" with Ambrose's times, Tettamanzi said: an "empire apparently looking strong and splendid, but without soul," where "a few still believed in great ideals"; political life was decoupled from the "common good"; the institution of the family "prey to disintegration"; schools "disrupted by intolerable disorders"; the entertainment world "more and more ferocious and immoral"; and "restless and threatening populations" at the borders of the empire. Facing all this, "one needed commitment and cohesion," but, lacking that, the empire collapsed.

"Our epoch, like the times of St. Ambrose, not infrequently presents worrying signs of a social, cultural, moral and religious crisis. . . . The current phenomenon of globalization, often ruled exclusively or predominantly by market criteria . . . ends up aggravating social imbalances, economic differences, and the different forms of marginalization." Tettamanzi called on the political class to "nurture a great sensibility for the common good."