

knowledge of the fact that the world order created by capitalist globalization has entered a deep crisis, causing an economic and political problem, and that if we continue down this road, we will have a crisis of unprecedented proportions, with a danger of war and aggression among states. I believe we live in a transitional period. The center of the world capitalist and productive system is moving from the United States to East Asian countries, and this is the cause of a great deal of turmoil. Now, if we want to ensure that this situation does not provoke a new war, both in strict military terms and in economic terms, meaning a bitter trade war with disastrous effects for everyone, we have to identify new instruments of “governance.”

This is the basis of the strength of LaRouche’s proposal for a new global conference on currencies, and the reason we have always considered the proposal valuable and supported it, including the idea of an international currency, such as in the vision of the great [John Maynard] Keynes. Such a system would be able to root out the possibility of savage speculation of a purely monetary nature. This wouldn’t be the only problem, of course, but a New Bretton Woods would be of great assistance in solving the problems in today’s world.

**EIR:** LaRouche’s Homeowners and Bank Protection Act (HBPA), which provides for a moratorium on foreclosures in the context of such a New Bretton Woods, is presently being discussed and approved in many city councils and state legislatures, such as in Pennsylvania, and some aspects of LaRouche’s proposal [for a moratorium on foreclosures] have been picked up by Hillary Clinton. What do you think about the proposed legislation, and do you think such a proposal would also be possible in Italy?

**Gianni:** Despite the fact that I support Obama and not

Clinton, which is something I wanted to say, I like LaRouche’s HBPA proposal a lot (as I told him when he came to Rome), because it contains a principle which goes in the opposite direction of the current tendency: the principle is that the State should not worry about bailing out banks when they enter a liquidity crisis, but rather should support citizens who have problems of insolvency, and that turns the perspective around, putting the citizen back at the center, and of course, I like this a lot.

Furthermore, as I had the chance to tell LaRouche at a conference in Italy, it is not possible to adopt legislation in Italy which is identical, but we have to make the effort, and we shall have the opportunity with the new Parliament, in a non-partisan way I hope, to work on a legislative proposal which takes into account the specific features of the Italian situation (mainly the almost totally private banking system), but adopts the same principle: that citizens come first, and that the insolvency of citizens is a social problem and not an individual problem. This means enacting a moratorium on foreclosures, reducing mortgage payments, freezing them for a certain period of time, or doing whatever is needed to ensure that a citizen who took out a mortgage and then saw it increase through no fault of his own, but maybe because of a decision by the European Central Bank he is unable to influence, is not reduced to poverty or loses his flat.

In Italy, this should clearly be accompanied by a program of increased construction of public housing, and lower rents, because buying a house imposes an enormous limitation on the mobility of those who may find work elsewhere; they are often unable to afford a house in the new location, thus give up their jobs and stay where they are, rather than paying very high rents, which is absurd and damages the Italian economic system.

## Gianni: Replace Maastricht With a New Bretton Woods

*In an article published March 20 by the Italian daily Liberazione, under the headline “An Epochal Crisis,” Alfonso Gianni writes:*

Now, it is clearer than ever ... that it is necessary to contrast the international monetary disorder, by re-proposing a system of agreements to be at the level of what the Bretton Woods was for the world coming out of the [Second World] War. And I would really advise that we not wait for a new world war, to start that. ... This crisis questions the process of world capital financialization from both the economic standpoint and from the standpoint of the free-market and mone-

tarist theories that accompanied it at the political level.

Some ... call it “the derivatives revolution.” It was the introduction, on the financial markets, starting 1979, of these new financial products, derivatives.... The result was a volatility of the system, constantly exposed to risks, which central banks are often unable to face in time and with success.... Nothing more than derivatives represents the level reached by world finance presently. And when this process of abstraction [from the real economy—ed.] reaches its extreme limit, and assets are lacking any value, the castle collapses. This is what we have been watching since August [2007]....

The ridiculous boundaries on the budget imposed by Maastricht do not change.... Now, while we are discussing ratifying the Lisbon Treaty, it has never been more necessary to re-discuss the monetarist basis on which Europe is founded.