

from the Treasury department. As for the rest, I keep thinking that defending protectionism is wrong and absurd. To propose it again today, is like reproducing the same mistakes made before the 1929 crisis.”

The interviewer challenged Martino about the U.S. government bailout of “investment” bank Bear Stearns, asking if it is not a state intervention and an example of “the world upside down,” as Tremonti says. “Absolutely no,” Martino said. He went on to defend Federal Reserve Chairman Ben Bernanke: “The Fed does what it did not do in 1929, when it let 30% of U.S. banks fail.”

As for the Acton Institute, Bernd Bergmann writes on the Institute powerblog that, “Tremonti blames the recent rise in the prices of consumer goods on globalization, and says that this is only the beginning. The global financial crisis, environmental destruction, and geopolitical tensions in the competition for natural resources are also fruits of globalization, according to Tremonti. He identifies the main problem as a lack of international governance of the process of globalization, and calls for a new Bretton Woods-like system to confront the multiple crises caused by what he calls ‘marketism.’”

Ignoring the demise of the globalized system, Bergmann writes, “Tremonti’s vision is inward-looking and profoundly pessimistic. Some market-oriented Italian commentators have pointed out that his ideas seem dangerously close to old-style protectionism. It is clear if Europe followed his analysis, it would be led on a path of future irrelevance both as an economic and a cultural model.”

Hon. Mario Lettieri

Call for an FDR-Style New Financial System

Mr. Lettieri, of the Margherita party, is the Undersecretary of State to the Italian Finance Ministry. In 2005, he introduced a resolution, which was adopted by the Chamber of Deputies, calling for a new Bretton Woods conference, to establish a new international monetary system. He gave this interview to EIR’s Claudio Celani on March 26.



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EIR: The Italian electoral debate has been polarized by Giulio Tremonti’s campaign for new Bretton Woods. What is

your view of the situation, given that you were among the first to advance this proposal, in a resolution approved by the Chamber of Deputies in 2005?

Lettieri: In the 2001-2006 legislature, as you noted, I introduced a specific Motion into the Chamber of Deputies, which was approved on April 6, 2005. That Motion took into account the debate that was taking place around the world, among people sensitive to those issues, including the proposals of Lyndon LaRouche.

The Motion was signed not only by numerous members of Parliament from many different groupings, but it also gave rise to a broad floor debate in the Parliament. It committed the government to taking the necessary actions to bring about an international conference of heads of state and government, for the purpose of defining a new and more just financial and monetary system. In the text I presented, there was explicit reference to a new Bretton Woods, whereas the final approved text was more generic.

EIR: Do you therefore support Tremonti’s proposal?

Lettieri: It is positive that Tremonti, too, agrees that it is necessary to create a new worldwide economic-financial architecture. When we speak about Bretton Woods, we must think of the great American President Franklin D. Roosevelt, who was the President of the “New Deal” and of the “Forgotten Man.” He was able to unite America behind a great program of economic and social rebirth. Roosevelt created the welfare state, created jobs and defended the rights of workers. Roosevelt was the President who defeated Nazi-Fascism, and was opposed by the American right wing.

EIR: The financial crisis has undergone a dramatic acceleration with the collapse of Bear Stearns and the Fed’s intervention as the “lender of last resort.” Commenting on this situation, Lyndon LaRouche has demanded urgent intervention, through the implementation of a “firewall,” as Roosevelt did, to protect both homeowners and the banks from speculative funds. According to LaRouche, a bailout across the board, without this firewall, might save some banks, but would lead to hyperinflation. Do you agree?

Lettieri: LaRouche’s proposal is very wise. We should find a way to separate the speculative part of the financial system from the part connected to the real economy, to firms, to the life of families. If that occurs, I think that the cost of recapitalizing the banking system could be contained within acceptable limits. Certainly, we need a system of rules that allows for directing financial flows into investments, and making sure that the banking system actively participates in the development of the real economy, infrastructure, etc. This should be the aim of the new Bretton Woods and of a Roosevelt-style policy today. The excessive financialization of the economy, the heavy speculation in oil products, and the ongoing social and territorial imbalances, demand that governments and international bodies go in new directions, one of which is surely the revisiting of the system created in 1944 in Bretton Woods.