

‘The Justice of the International System Is at Stake in Argentina’

Hon. Fabio Porta is member of the Foreign Affairs Committee of the Italian Chamber of Deputies and chairman of the Permanent Committee of Italians in the World. He is also the initiator of the Italian Parliamentary petition in support of Argentina. He was interviewed on July 14 by Claudio Celani. The interview was translated from Italian.

EIR: The Italian Democratic Party (PD) has started a petition in support of Argentina, after the decision of the U.S. Supreme Court in favor of “vulture funds.”¹ How is the petition going?

Fabio Porta: The initiative was started by me and some friends in the Democratic Party, along with other members of Parliament such as Enzo Amendola, faction leader in the Foreign Affairs Committee in the Chamber of Deputies, Stefano Fassina, and Paolo Guerrieri, who are members of Parliament and economists, therefore, experts on the subject; and also the PD members responsible for Latin America and Italians in the World, Francesca D’Ulisse and Eugenio Marino.

We organized a seminar where other experts were invited, such as Donato di Santo, who has organized various Italy-Latin America conferences, and José Luiz Rhi-Sausi, the social-economic secretary of the Italy-Latin America Institute. We wanted to reflect on what

was happening as a result of the American court ruling, which de facto tries to prevent Argentina from restructuring its debt, after a gigantic effort in which that country has succeeded in reaching an agreement with over 90% of its creditors, to solve a situation whose causes, as we know, go back many years.

We found it worrisome, even absurd, that 2% of the bondholders could jeopardize an agreement with 93% of the holders of Argentinian debt. So we got the idea of doing something, of writing a call—which we then proposed to legislators of all parties, and we collected over 100 signatures—in support of this Argentinian effort, but more generally, in support of a new world financial model, or in any case, an effort that leads the world to raise questions, to find a solution so that similar cases do not occur again; because today, it is Argentina that is threatened, but tomorrow, it could be emerging coun-

tries, or even European countries.

A Double Standard

EIR: Do you see this case as part of the general offensive against international law, as in the “regime change” wars?

Porta: I believe that at this moment, what is at stake, is not only international law, but the very equity and justice of that law. It is now clear at the financial level, but also at the political-economic level in general, that a double standard rules the world. On problems that concern the United States, not just one blind eye is turned away—many are closed. When problems con-



Fabio Porta

1. See Helga Zepp-LaRouche, “There Is a Limit to the Tyrants’ Power: Vulture Fund Greed Backfires, as OAS Supports Argentina,” *EIR*, July 11, 2014.

cern countries that are not dominant from the political and economic standpoint, other standards are applied.

Therefore, what must be discussed is a new international balance, in which all countries are granted the same guarantees, and where not the financial or speculative powers, but the law and sovereignty of peoples, speak louder.

I think that this is the issue we wanted to put at the center of the call, and I believe that we are on the right path, because Italian Prime Minister [Matteo] Renzi himself wrote to the Argentinian President [Cristina Fernández] a couple of days ago, confirming Italian support for this Argentinian effort. I believe that at this moment, Italy has, in Europe and in the world, a responsibility to start to change those balances, those dominant lines of thought, which for too long have seen, in Italy and in the world, the rule of the markets speak louder than the rule of politics and the rule of law.

EIR: Seven years later, the world crisis has not been solved. The Pope says: This economy kills. In the United States itself, where we are active, political support for a shift is growing, whose reference is what the great President Franklin Roosevelt did in the 1930s, and the spearhead of it is an initiative in Congress to separate speculative finance from the real economy, through the reintroduction of the famous Glass-Steagall Act. Last week, 600,000 signatures of U.S. citizens were delivered to Congress, collected by trade unions and various associations, in support of the Glass-Steagall draft bill. We believe that through this reform, the United States can lead the change. Do you see it this way?

Porta: Certainly. The crisis started in the United States, precisely in the heart of that economy, of that country which claimed it could dictate financial rules to all other countries, starting with Latin America, where, in recent decades, they mostly suffered the imposition of certain international financial mechanisms. It is right and also wise that a new effort to reorganize the international banking and financial system starts from the United States itself, starting from the mechanisms in force in that country. Therefore I consider what is occurring to be very interesting. The fact that such a large part not only of Congress, but also of public opinion and of civil society, has mobilized around that proposal, shows that these seven years did not pass in vain. It is a bipartisan effort that must be pursued not only in the United States but also among countries, political sys-

tems, and civilian societies of all large countries. It seems to me that this is the right moment and we are on the right path, I hope.

A Good Omen

EIR: Returning to the Argentina initiative: If I understood correctly, you propose to reopen the negotiations that were held at the IMF at the end of 2003, to establish new procedures, new international rules, that prevent the minority creditors from blocking the restructuring of sovereign debt. Is that correct?

Porta: Yes. In the private system this common sense law exists, and when there is a large majority of shareholders who, inside a company, reach a consensus on a restructuring plan for a company, that agreement is valid for everyone. It is not clear why the same mechanism should not be applied to debt and sovereignty of states. A decade ago, we were close to an agreement that fulfilled this demand, but then, the negotiations collapsed.

Today, maybe, what is happening around Argentina can give us strength to again push this issue; and it seems to me that the endorsements, or at least the understanding, from the United States to France, to the IMF itself—that this discussion could be a good omen in this sense.

EIR: Your parliamentary initiative will not result in a legislative act, but it has already influenced the Italian government, as you mentioned earlier. You also mentioned the general action of Italy as rotating chairman of the EU. Do you have an idea of the concrete steps that can be taken?

Porta: As I said, Italy is the rotating chairman. Renzi wrote to Cristina Fernández de Kirchner. Beyond the Argentinian issue, Italy is already committed to bring a different direction in economic policy and in the internal organization of the financial markets, both for this EU semester [July-December 2014—ed.], and in the coming years.

As concerns Argentina, the next step, mentioned also in Renzi's letter to Kirchner, will be Foreign Minister Federica Mogherini's visit to Buenos Aires on Aug. 4. I believe that this visit will be consistent with, and provide additional impetus to Italy's support for the Argentinian effort; but more than that, to this effort at the European and international level, which all of us must undertake in order to change a system that has shown itself to be unjust and also ineffective.