

Italy and the United States Join To Fight for Trans-Atlantic Glass-Steagall

The following are edited excerpts from the LaRouche PAC Webcast of November 30, 2018, which featured an interview on Capitol Hill with Marco Zanni, Member of the European Parliament, who was in Washington for several days of meetings with members of Congress, accompanied by Paul Gallagher, Economics Editor for Executive Intelligence Review. Also interviewed, streamed live from Italy, was Liliana Gorini, Chairwoman of the MoviSol movement there.

Zanni: We are here to discuss two very important topics with members of the Congress:

First, what is happening now in the European Union and in Italy. You viewers may know that in March, Italians elected the first populist government in the [25-year] history of the European Union. There is a sort of a momentum now for a power shift in the European Union. We are going to have a European election in May 2019 that will be very important in showing to the world that the power balance in the European Union is changing.

Traditional parties that supported wrong policies and financial deregulation—that have brought us to collapse and to the increase of financial speculation not only in the United States, but also in the European Union—are shrinking in their consensus in terms of votes. And new parties are rising to show that an alternative way is possible for the common benefit of our economies both in the U.S. and in the European Union.

The second very important issue that I'm going to discuss with your representatives is bank separation. As your viewers may know, in our government program

we have a point specifically about bank separation because we think that we need to better regulate our financial markets and our financial institutions in order to create a system that is going to support the real economy and invest in important infrastructure.

Infrastructure investments have dropped to a five-year low in the European Union, not only in Italy, but also in the biggest economy in the European Union—



MEP Marco Zanni, interviewed in Washington, D.C. by Matthew Ogden on the LaRouche PAC Webcast, Nov. 30, 2018.

LFACTV

Germany—and also in the United States. We are here to discuss and present our petition. In the last two years, we collected more than 200 signatures from Italian Members of Parliament and also from people who are members of the government and also of ministries, such as Deputy Prime Minister Matteo Salvini.

U.S.-European Financial Institutions Are Failing

It is very important to show to our American friends that all our efforts over the last five to six years, after the



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MEP Zanni holds up the Glass-Steagall graphic used in Italy, for the Webcast viewers. The theme is, “Separate regular banks from the speculative banks to protect savings, deposits, and real investments,” and it refers to the U.S. Glass-Steagall Act of 1933.

big financial crisis, to better regulate our financial system, are failing. Today, all the biggest financial institutions, investment banks in the U.S. and in Europe, are still doing what they have done in the past—threatening the stability of our financial system, threatening the real economy, our industry, with a lot of financial bubbles that are going to burst in the future.

Uncontrolled levels of leveraged loans, government loans are now a threat to our economy. Our big financial institutions in Europe such as Deutsche Bank, are stuffed with plenty of what we call Level 2 and Level 3 assets—complex financial instruments with no economic rationale—that are just financial engineering, that are in liquid instruments, and their value is really volatile, threatening the stability of our financial system.

So, we have to act not to build up, as we did in the last five years, instruments to absorb or to cope with the consequences of a financial crisis; but we have to act on the roots to prevent financial crises. And this bank separation, this petition and our program in Italy for bank separation is very important as a first step to guarantee the stability of our financial system, the stability of our banks, and to ensure that our financial system will be in future focussed only on supporting priority investment that can benefit the real economy, our people, our small



LPAC

A LaRouche PAC organizing poster for the Glass-Steagall principle.

and medium-sized enterprises (SMEs), our companies, not only in the European Union but also in the United States.

We are all in the same boat, and it’s very important to cooperate in these matters. This first step taken by the Italian government in proposing this legislation is very important. But, we need Europe and the U.S. to cooperate on this because all financial legislation is drafted and decided at the international level—the G-20, the Basel Committee, the Financial Stability Board. So, it’s very important for me to discuss these important issues with your members of Congress.

Trump and Conte

We are going to hand out this list of signatures to members of Congress in order to strengthen our relationship and follow up with the discussion and future cooperation on restoring banking separation to make our financial system healthier, and really focus it on common benefits for our peoples and our countries.



White House/Stephanie Chasez

U.S. President Donald Trump welcomes Giuseppe Conte, Prime Minister of the Italian Republic, to the White House, July 30, 2018.

The United States is an historic ally of Italy, and we really appreciated President Trump's welcoming the unknown new Italian Prime Minister, Giuseppe Conte, at the last G-7 meeting this Summer.

The stance of your administration towards our new Italian government is very positive. It's an opportunity for Italy to function as a bridge between your administration and a Europe that is going to change. No more Merkel, no more Macron, but more parties and political leaders that are really connected to people and to our SMEs and to our territories and nations. That will be very important for strengthening the discussion and the relationship between the U.S. and Europe and Italy.

And most importantly, this cooperation has to be strengthened especially in the financial regulation field, because as I said, it's very positive that the Italian government has in its program this bank separation, and the Lega Party for many years has supported banking separation, but it's not enough. Italy alone is not enough; we need more nations, more parties, and more people to be on board this project.

And having strong communication and strong cooperation with the U.S. is fundamental in proposing worldwide or at least trans-Atlantic reform of our financial markets, of our banking system. Because Glass-Steagall, bank separation, in just one nation is not enough; we need international cooperation, trans-Atlantic cooperation, and a gathering of all the developed nations in pushing to reform our banking system

to prevent another financial crisis that is coming.

Focus on the Needs of People

As I said, big financial banks and institutions are committing the same mistakes that they did in the past that triggered the big financial crisis [of 2007-2008] that still is negatively impacting our economy. So, it's very important that President Trump and Prime Minister Conte act to strengthen cooperation in financial regulation issues and that members of the European Parliament, as I am, or members of national parliaments across Europe, come to the U.S. Congress to discuss this very important topic with its members. I'm pretty sure that we are able to deliver, because this is the very important reform that we need in order to make our

system healthier and more focussed on the needs of our people.

Ogden: Please tell us more about the broader economic program that you're campaigning for and why it's necessary. How is the European Union pushing back?

Zanni: In Italy today, we are living with a clash between our new government's 2019 draft budget and the European Commission. From my point of view, it's just a political move by the European Commission to clash with the Italian government that opposes a lot of the policies coming from the EU. For example, the EU is saying that having a 2.4% deficit in Gross Domestic Product (GDP) will make the Italian government default.

That's not true, it's fake news; because the Italian macro-economic indicators are very good. Italy has a primary balance surplus of euro 40 billion, so 3% of our GDP. We have an external current account surplus of euro 50 billion; that is 4% of our GDP; so we are perfectly safe. If Japan is doing 4.5% deficit GDP with a debt-to-GDP ratio that is higher than the Italian one, and they are still paying 0.8% interest rates on their sovereign bonds, there's something wrong in Europe: wrong instruments, wrong protection by the central bank, and wrong economic rules.

We are opposing austerity policies that make governments not invest in infrastructure. The dramatic col-



Public domain/Salvatore1991

The Morandi Bridge in Genoa, Italy, in August 2018, after its collapse. There are no spans in the foreground.

lapse of the Morandi Bridge in Genoa last August was a sign telling us that we have to act immediately to restore a huge amount of public money to invest in our infrastructure. Banking separation will help our government in doing this, in creating a bank; and we are working on this, especially for southern Italy, which has the biggest gap in infrastructural investment. So, banking separation will help us to create financial institutions, credit institutions that are focussed on financing infrastructure. We need this not just in Italy, but also in Germany.

The ratio of infrastructural investment to GDP dropped alarmingly in the last six years in the European Union countries because of wrong austerity policies. Cutting the budget is not the right way to make an economy grow. Investments are positive components of the GDP, and bring benefits to our people, to our trade inside the European Union, to our connections with emerging economies in the Middle East, in Asia, in Africa.

Austerity Always Fails

So, it's very important to invest in infrastructure in Italy to make our country a hub in the Mediterranean region for trade and interconnection with other countries. The confrontation with the Italian government by the European Union, with its disruptive rules, is wrong.

Over the last ten years, countries in continental Europe have had slower GDP growth compared to other developed countries. We have to act to change our rules, we have to make investments in infrastructure a priority of the European Union, but without using stupid financial engineering as the Commission did in the past with the Juncker Plan that was advertised by the European Commission as a big infrastructure investment plan, shifting just euro 20 billion from the European budget to infrastructure that would have triggered more than euro 300 billion additional investment in just three years. After three years, no one has seen this euro 300 billion investment in infrastructure, because it's just shifting some pocket money from the

EU budget to small infrastructure investments with zero impact on the EU economy.

We need governments to be able to invest heavily in infrastructure, and to have the support also of banks dedicated to finance such infrastructures.

Cooperation with China

Ogden: There is a country that is investing heavily in infrastructure both domestically and internationally, and that country is China, and its Belt and Road Initiative (BRI). What do you see as the potential, assuming the kind of reorganization you are talking about of the trans-Atlantic financial system, for an orientation towards working with the emerging New Silk Road? What is the inclination now towards that among Italians, and what do you see as the urgency of that strategic shift?

Zanni: This strategy could have a big impact in fostering economic growth in the European Union, in creating jobs, in fighting unemployment, and it will be very important to cooperate with China. A lot of new countries, including Italy, have joined in the projects of the Asian Infrastructure Investment Bank; putting some money there. But we need to extend our cooperation with China in this field also to help and to solve the big problem of immigration flows from Africa to the EU that Italy has suffered in the past four

or five years. It would be very important to reshape the way in which the EU is investing money in Africa to support the development of African countries and economies.

Looking at the Chinese model, that is more efficient in terms of efficiency of money invested there, in terms of job creation and GDP growth, it would benefit not only the African countries, but also the EU countries in reducing the costs related to the management of uncontrolled immigration flows. And in trading also with countries in Africa that would be richer, and so the demand for EU products from those countries could increase thanks to such investments.

I hope that also in this field there would be a huge change in how the European Union manages money and investment in infrastructure, and its participation in the One Belt, One Road Initiative. Some of the countries in Eastern Europe started to cooperate with China concretely on big infrastructure [projects] connecting Europe to Asia, Europe to the Middle East. But we need more financial resources.

No More Stupid Rules

You say China is delivering this and I'm going to say it is because they have no stupid rules putting pressure on their debt, on their public deficit, or whatever. They are able to invest strongly in the development of infrastructure that will benefit the economy. The Chinese example could benefit also European citizens and European nations in fostering GDP growth, job creation, fighting uncontrolled immigration, and also give African countries the opportunity to reach the level of developed countries.

Ogden: Paul, what do you expect over the next two days with these continued meetings with Congress, and then where do we have to go from here?

Gallagher: We have an awful lot of meetings over the next two days. We've already run into both support and opposition, and a combination of both actually from one member. So, I think that this is primarily an opportunity for a very well-informed and leading spokesman for one of the major parties in the Italian government to brief rather uninformed members of the U.S. Congress about this fight going on in Europe, between Italy and the EU, and between Italy and France, and what is involved.

Ogden: Joining us now, streamed live from Italy, is Liliana Gorini. She is the chairwoman of the MoviSol movement, which is the "Movimento Internazionale per i Diritti Civili—Solidarietà" [International Civil Rights Movement—Solidarity]. Liliana has led the effort there on the ground in Italy, along with MEP Marco Zanni and other activists there, to collect these signatures that Marco Zanni delivered to the Congress, calling for an immediate bank separation, and an alliance between Italy and the United States to push this as a trans-Atlantic financial reorganization effort, in order to transform the entire trans-Atlantic financial system in accordance with this new program.

Liliana, can you tell us what you've done to collect these signatures, and how you've worked with Marco Zanni and others on this program?

Glass-Steagall Petition

Gorini: These efforts actually started two years ago, when President Trump was elected. I wrote a short letter to President Trump which invited him to keep his campaign promise to reinstate Glass-Steagall, saying that this would be the key not only to make America great again, but also to make the whole world—and Italy—great again.

This short letter, in English and Italian, was distributed in the course of these two years by a MoviSol activist, Massimo Richard Kolbe Massaron, whom I want thank from my heart, because he was every weekend busy with this petition, going to political meetings of the Lega, of the Five Star party, of the trade unions, of journalists, and he built the binder you see in front of the pictures with the important signers. He's right there in the pictures with Matteo Salvini, who is Vice Premier of the Italian government; with [Chamber of Deputies member Giancarlo] Giorgetti, whom I also met, who is supportive of LaRouche and Glass-Steagall. We have among these 217 signers, seven members of the Italian government: three ministers and four undersecretaries.

So, this effort was very useful, because it moved the parties which form the present government to include Glass-Steagall in the government program. Some of them have already established connections with the Trump Administration, because in this precise moment—as I'm sure Marco Zanni said in his interview—Italy is heavily under attack from the Euro-

pean Union, and it finds, instead, support—politically and also economically—from Russia, from China, and from the United States. As your viewers might remember, there was a very good meeting at the White House on July 31 between Prime Minister Conte and President Trump. I heard President Trump calling him “Giuseppe.” They got along very well, because they have the same policy on various issues, including the urgent need to relaunch the real economy and stop the speculation.

Last Friday, Marco Zanni was here with me, Massaron, and a number of our supporters and journalists, at a press conference in Milan to present the 217 signatures and to announce Zanni’s trip to the United States. *La Gazeta della Martesana* published an article about this meeting. Many of the signers were from there. Many of our supporters these last two years have wondered why Glass-Steagall hasn’t been adopted. Marco made it all very clear that Glass-Steagall is very important for Italy, because of the banking crisis, because of the attacks against our government securities, the BTPs, which have been attacked for political reasons [as they are indexed to the Italian inflation rate]. The European Central Bank and other speculative banks tend to sell them in order to attack the present government.

Stop the Speculative Attacks

So, it is key to stop this speculative wave on our economic system and it is also important to understand that Glass-Steagall cannot be adopted in Italy alone. That’s why an alliance between Italy and the United States, and particularly with the Trump Administration, which has Glass-Steagall in its [Republican] party platform. Of course, some of the Democratic Party leaders like Sen. Elizabeth Warren, Rep. Marcy Kaptur and others, who have promoted the 21st Century Glass-Steagall Act, are important allies in this effort.

If Italy allies with the United States on this issue of a New Bretton Woods, of a new financial system, or, as Lyndon and Helga LaRouche have emphasized very often, a new credit system, production will finally be relaunched, including investments in infrastructure and the Maritime Silk Road, which should be the key for Genoa, for the Morandi Bridge, and for other port cities in Italy. This will be an alliance which changes the situation.

Marco was emphasizing that this is a key moment of change. Helga LaRouche has said very often that two options are now open: the option of a New Paradigm, with Glass-Steagall, the New Bretton Woods, the New Silk Road and cooperation with Russia and China; or a new financial crash, a new financial crisis and systemic crisis, and the threat of war. These are two roads in front of us, and it’s up to us to choose which one we take.

The Organizing Process

Ogden: Tell us about the process that went into collecting the signatures. What was the dialogue with these elected officials and the other VIPs? Who are the 217 signers?

Gorini: It started in the Lombardy Region, two years ago, with the regional councilman, Antonio Saggese. After that, Massaron helped us collect the first 20 or 30 signatures of regional councilmen, simply giving him a place inside the state legislature. And so Massaron, who is not a councilman, just a simple activist, was there, and Antonio Saggese was inviting all the regional councilmen coming by to sign the petition, saying, “this is very important, we have to have Glass-Steagall.”

And it continued in Rome; it continued in Brussels, where Marco Zanni was at the European Parliament—he collected eight signatures of Members of the European Parliament, including Matteo Salvini, who is presently Deputy Prime Minister of Italy. Having Salvini’s signature was a big, important push for the collection, because people started to see there were important signatures, and as you know, when people see big names, they tend to follow suit.

We had Massimo Kolbe Massaron, whom I thank again, because this was “his mission” he said. For these two years, this was what he did from morning to evening. I thanked his wife at this meeting, where I finally met her, because he had little time for his family, for his children and his wife, but it was important to him to get as many signatures as possible.

He was running around to all the political meetings, of the Lega for example, when they had festivals, like this summer they had many festivals which Salvini was attending. Massaron was there; he spoke to all the people, the ministers, he insisted, he bothered, until they finally signed. Even in Switzerland there were conferences on this issue of Glass-Steagall, and there



EIRNS

MEP Zanni brought to Washington the letter to President Trump, calling on him to reinstate Glass-Steagall, signed by significant Italian figures, including cabinet ministers. Here, leaders of the campaign for signatures (l. to r.), Massimo Kolbe Massaron, Zanni, and Liliana Gorini, Chairwoman of MoviSol.

were proposals in the parliament.

This is being discussed not only in Italy, but across Europe where we collected a number of signatures, with one from Russia. The rest are members of the Italian Senate and the Chamber of Deputies whom we contacted personally in the course of Massaron's trips all over Italy. Every time, as someone was signing, he took their picture with his folder with the Glass-Steagall logo. We have many significant pictures, including the one with Marco Zanni last Friday in Milan, with happy smiling people, including members of government, joining us, supporting Glass-Steagall.

Task Force China in Italy

Ogden: We also had the pleasure of interviewing Michele Geraci, who met up with us in Washington. Tell us about who he is, and what he's been doing to bring Italy on board with the New Silk Road, and what China's doing with the Belt and Road Initiative.

Gorini: Michele Geraci is presently a member of

government. He's currently the Under-Secretary of State for Economic Development. In the Ministry of Economic Development, he has established Task Force China. Geraci lived for very many years in Shanghai before becoming a member of this government, so he knows China very well, and he also speaks Chinese. Ever since he joined the Italian government, he has been pushing for Italy to join the Belt and Road Initiative. He went to China twice, alone, and then with Vice Premier Luigi Di Maio, co-founder of Task Force China.

In Beijing they signed a Memorandum of Understanding with China to start up investments in Italy, and also discussed cooperation with China in Africa, which they hope will help solve the wave of immigration which has created so many social problems in Italy but also in Europe, because Italy has been left alone to deal with the immigrants. France has

closed its borders; Macron is also behaving as a total asshole—which I can say credibly—towards Italy on this issue, by blocking the immigrants who are trying to join their families in France, leaving Italy to face this problem alone. Even Salvini said openly that we need a Marshall Plan to develop Africa, in order to stop this wave of immigration which we cannot deal with.

And there is, actually, also an agreement between Italy and China to realize the Transaqua project to replenish Lake Chad and to create development in that area, which is key also to stopping terrorism.

Lyndon LaRouche's Philosophical Vision

Ogden: Can you please put into context the importance of the victories that we are winning right now around this fight for a new, international economic order, put this into context with your multi-decade association with Mr. LaRouche and Helga Zepp-LaRouche and their philosophical vision of the world, and this idea of a new international economic order. Just tell us a bit about your history, the history of this fight, and where you see this fight standing right now.

Gorini: I have the honor of having worked with Mr. LaRouche since I was 17—I'm 62 now, so it's a long time spent working with Mr. and Mrs. LaRouche and it's been a great pleasure. We work together on various issues, including the issue of Verdi tuning.

But I can remember very well, in 1975, we had a conference in Milan, in which Mr. LaRouche was invited by the Chamber of Commerce, and called for a new International Development Bank. That was the beginning of an effort which led to the Eurasian Land-Bridge, to what we called the Productive Triangle, and many, many concrete projects which we developed with Mr. LaRouche, for the development of Italy, for the development of Africa, for the development of the Middle East—there are plans, the Oasis Plan, for example, which were discussed and presently are on the table of important governments in the Middle East.

But this all started in the 1970s, when Mr. LaRouche and Mrs. LaRouche were talking about the new International Development Bank, and in Italy, he also participated in conferences organized by the Italian Parliament. I remember very well a couple of conferences I organized myself in the 1990s in Rome, before the whole Finance Committee in Rome, in which Mr. LaRouche was talking about the crisis, and the urgent need of a New Bretton Woods—a conference which was also attended by Giulio Tremonti, who then became Economics Minister.

And many of the members of Parliament remember well this intervention of Mr. LaRouche, because at that time, he was the only one who warned of a financial disintegration, and they were responding, “Oh, no, it



Courtesy of Liliansa Gorini

Liliansa Gorini and Lyndon LaRouche in an undated photo.



Creative Commons/UK in Italy

Giulio Tremonti in 2009, when he was Italian Economy Minister, at the Pontignano Conference titled, “After the Crash.”

cannot be so bad. It will not be so bad.” When there was the crisis in 2008, many of these members of Parliament, who are now among the signers of our petition for Glass-Steagall, were reminded of LaRouche’s words, and told me, “he was right, he was completely right. We should have listened to him then.”

Ogden: Liliansa, with Marco Zanni’s trip to the United States now completed, with these dozens of meetings that he has held with members of Congress, with all the breakthroughs that are happening on this front, where do we go from here? What are some concluding words that you can share with our American audience in order to continue to carry on this fight, and to secure some very big victories in the very near future?

Gorini: I share Marco Zanni’s view that Italy and the United States should get together, particularly because of the political

moment now, with the so-called Trump “populist” government and the so-called “populist” government in Italy—we should get together and adopt LaRouche’s Four Laws, because they are all indications that there are people ready to do so, both in the Trump Administration and in the Italian government. And if we do so, the European Union, with its austerity measures, with its genocidal policy towards Greece and also now towards Italy, will shut up, and will probably disintegrate in the form of the present euro system, and we shall go back to the Europe of the Fatherlands, of De Gasperi and de Gaulle.

This is my wish, and I believe that the meetings Zanni had in Congress are going in this direction. I’m very hopeful.