
The European Parliament

Resolution submitted for a New Bretton Woods

by Claudio Celani

On Feb. 16, a written interrogatory was filed before the European Parliament, calling on the European Commission to discuss issues relating to the international financial crisis and the need for a new financial and monetary system, modelled on the successful Bretton Woods System, which was abandoned in 1971. The interrogatory was filed by Rep. Cristiana Muscardini, an Italian conservative Member of the European Parliament, and is expected to be supported by signers from other EU member countries. Muscardini's initiative derives from a campaign launched internationally by the LaRouche movement, which met with a particularly strong response in the Italian Parliament.

'Real economy'

Muscardini's interrogatory, entitled "Real Economy and Financial Economy," characterizes the international financial crisis as systemic, and condemns the devastating economic and social effects of the speculative financial bubble, as well as the potential hyperinflationary effects of a financial bailout policy. It asks the European Commission whether it has ever considered "the possibility of reintroducing in the financial system": a) pegging of currency values to some element of real economic substance; and b) more exchange controls. The European Commission is also asked to assess the possibility of creating new credit lines for large infrastructure projects, and to organize an international conference, "similar to the Bretton Woods one in 1944, with the aim of creating a new international monetary system capable of eliminating, gradually, the mechanisms which have led to the creation of the 'speculative bubble,' and of initiating starting programs to relaunch the real economy."

Muscardini's statement is a condensed version of a longer motion, which had earlier been presented to the Italian Senate. That motion has so far been signed by 23 senators from the conservative bloc, belonging to the three parties Forza Italia (FI), Alleanza Nazionale (AN), and Centro Cristiano Democratico (CCD). The first signer of the motion is Sen. Riccardo Pedrizzi, deputy chairman of the AN group and a party colleague of Muscardini. Pedrizzi is also a member of the International Parliamentarians for the Jubilee initiative, which is connected to the Catholic Church, and calls for the cancella-

tion of debt for Third World countries, in support of an initiative by the Pope.

The motion will be discussed and voted on by the Italian Senate. If approved, it will bind the government to launch an international initiative for a New Bretton Woods. In order to be approved, the motion needs votes from the "progressive bloc" of leftist parties as well. Therefore, a diplomatic initiative has been begun by the signers, to gain such broader support. A similar interrogatory has also been presented in the lower house of Parliament, the Chamber of Deputies.

The city council in Milan will also discuss the proposal for a New Bretton Woods, as a result of an initiative by Aldo Brandirali, a prominent member of the Forza Italia party, which is part of the city's ruling coalition.

A bipartisan issue

The fact that the current initiative comes from conservative quarters, has nothing to do with ideology. In fact, the process began at the beginning of last year, when the Italian Solidarity Movement, associated with Lyndon LaRouche, called on all political forces to carry out a public debate on the international financial crisis and the need for a New Bretton Woods. The campaign struck a chord immediately among Catholic layers, on the basis of the Pope's criticism of neo-liberal capitalism. However, the first members of Parliament to respond positively were members of the progressive bloc, who drafted a motion that was filed in the Chamber of Deputies and in the Senate (with 68 signers) by representatives of the center-left alignment: communists, socialists, Social Democrats, and Christian Democrats. The motion, although exposing the destabilizing reality of financial globalization, fell short of calling for a New Bretton Woods, and limited itself to propose an international "Tobin Tax" on speculative financial transactions. The motion calls on the government "to promote international agreements, in particular with EU members, in order to extend such taxation."

The Tobin Tax motion found a broad resonance—so much so that Prime Minister Massimo D'Alema, during a visit to Greece on Jan. 10, picked it up, and called for an international agreement to control speculative transactions.

Now, the motion in the Italian Senate and the interrogatory in the European Parliament go a step further, and lay out a comprehensive reconstruction program for the world economy, modelled on the historical Bretton Woods and Marshall Plan experiences. It is therefore to be hoped that other members of the European Parliament, and of the national parliaments of EU member-nations, will follow the example of their Italian colleagues and file similar initiatives calling for a New Bretton Woods conference. Elected representatives from every faction should rise above the petty squabbles of party politics and join in a bipartisan effort, reflecting the universal underlying issue of national sovereignty and the general welfare.