

all the ambassadors to Rome and to the Vatican State, attended the holy Mass celebrated by the Pope in St. Peter's Square. The conference concluded with an "Evening Celebration in Honor of his Holiness John Paul II" titled "On the Path of Isaiah." The invitation explained that "Isaiah, one of the Great Prophets, is the singer of hope, he who announces the advent of the Messiah to the people of Israel and shows the way to follow to unify populations and build a world of hope and brotherhood."

The evening event was also dedicated to St. Thomas More and to Giorgio LaPira, the well-known mayor of Florence, who died this day 23 years ago and is soon to be beatified. LaPira, a professor very much committed to the spiritual and political education of the youth in the years after World War II, was "man of dialogue, with his motto 'Knock down the walls, build bridges,' whether concerning Vietnam, Europe, the Middle East or de-colonization." One famous saying of LaPira, used by the IG organizers to inspire the participants, has been his declaration in relation to the Jubilee of the Year 1975 called by Pope Paul VI: "Our participation in the Holy Year, our conversion, is not a pious act, but a political fact, since it contributes to the fulfillment of God's plan for history."

After the message of greetings addressed to the Pope from a number of international personalities, including the Secre-

tary General of the United Nations, Kofi Annan, the evening celebration saw many musical offerings, whose high point was the "Ave Verum Corpus" of W.A. Mozart, performed by the Orchestra and Chorus of the Opera Theater of Rome, conducted by Maestro Nicola Samale. This celebration was broadcast on television worldwide. It was closed, appropriately, by the recitation of the moving and inspiring prayer written by American President Franklin Delano Roosevelt for the creation of the United Nations Organization, which his unfortunately sudden death prevented him from attending.

## Motion: 'The Foreign Debt of Poor Countries'

The Parliamentarians taking part in the "Assembly of World Parliamentarians," on the occasion of the "Jubilee of Statesmen and Parliamentarians" on November 4th and 5th 2000, in Rome

*Considering that*

1. In spite of the progress made towards global economic development, there are extremely serious disequilibria at the planetary level and a considerable share of the world population continues to live in conditions of extreme poverty: almost half the world population has to live with less than two dollars a day and 1.2 million people have to live with less than a dollar a day. This is a situation that leads to the negation of the basic human right to food, health, housing, work, and education, and this represents an insult to our common humanity.

2. Although the development process involves new countries, the poor are witnessing an increase in the gap between them and the wealthy: the richest fifth of the world population had, 40 years ago, a wealth equal to thirty times that of the poorest fifth; nowadays the gap has increased by 74 times; the OECD countries, with 19% of the world population, control 71% of the global trade of commodities and services; 95% of world commercial credit goes to the richest 20% of the population, while the poorest 20% receives only 0.2% of credit.

3. In this context, the burden of foreign debt represents for the less developed countries an intolerable hindrance to social and economic development policies: many countries have to allocate a considerable share of their gross domestic product to payment of debt service. This amount is equal to four or five times what they can allocate to policies for health, education, access to drinking water, support to development. Furthermore, the debt must be paid in valuable currencies and the poorer countries suffer the additional damage of the increase in the price of raw materials and in the higher exchange rates with the national currencies, to the point that

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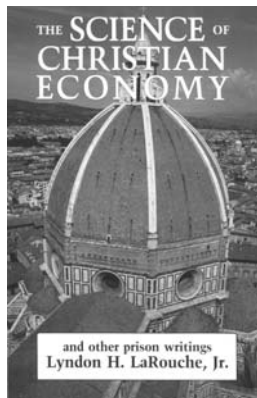
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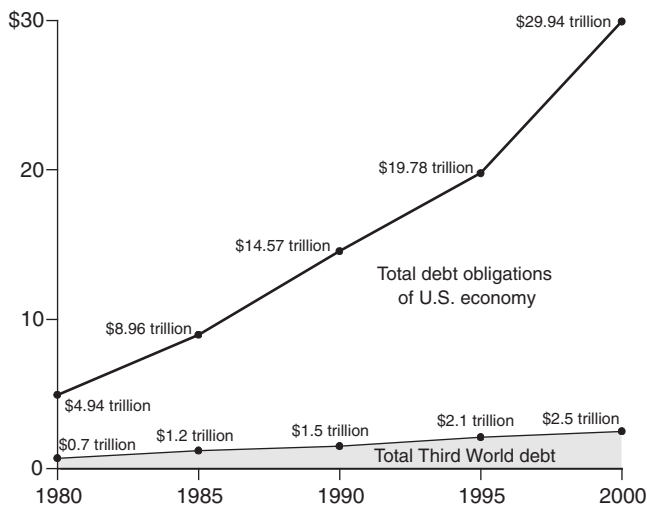
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FIGURE 1  
**The Real Debt Burden**

(Trillion \$)



*While U.S. officials opposed the calls for forgiveness of Third World debt from the Parliamentarians at the Rome conference, the indebtedness of the U.S. economy dwarfs the foreign debt of all Third World nations combined, and is expanding far more rapidly.*

many countries have already paid back to the creditor countries an amount greater than the initial credit.

4. In many cases the debt situation is made even more difficult by the enforcement of rules that do not comply with the general principles of law, as for example, those concerning a basic equality between the parties and contractual freedom, correspondence, and a balance with the services, a ban on any abuse of the state of need, limits on interest rates that must never become usurer rates.

5. This situation has tragic consequences on the indebted nations, forcing them to drastically reduce their expenditure on education, health, and the promotion of human development. It furthermore encourages the proliferation of the illegal economy, uncontrolled migration flows, distortions in agricultural production decisions with negative effects on the environment, and on the sustainable equilibrium of the rural societies, with resulting disequilibria and tensions at the global level.

*Given that:*

1. The initiatives adopted recently by the international community in favour of the more seriously indebted poorer countries (HIPC action) have proven to have important limitations, both in view of the limited number of eligible countries, and because of the restrictive policies applied, which generate dramatic cuts on spending for human promotion, compromising the future of these nations.

2. The commitments undertaken by the richer countries at the Cologne summit in 1999, in favour of an extension of intervention in terms of remitting debts and of a more careful evaluation of the concept of debt sustainability, have not yet produced significant results in terms of the decisions required from the multilateral bodies; even the individual countries are too slow in putting into practice the unilateral initiatives promised at Cologne.

3. This highlights the need for a deep reform of the international financial institutions, which have not proven capable of avoiding devastating speculative initiatives which have serious consequences on the weaker economies, or of supporting balanced development policies, based on human and environmental sustainability.

*Express:*

Gratitude to H.H. John Paul II for having constantly stressed, ever since His message to the United Nations Assembly in 1985, the need for radical intervention to reduce the debt of the poor countries, as an essential tool in terms of international co-operation, and His active policies to promote human development, suggesting indeed an initiative to cancel the debt as a specific sign of the year of the Great Jubilee.

*Undertake:*

To develop appropriate initiatives with their Governments and within their Parliaments to:

1. Ensure speedy and full implementation of the commitments underwritten at the G8 summit in Cologne in 1999, through the approval of the necessary legislative acts at the national level and the adoption of opportune initiatives with the multilateral financial bodies.

2. To develop a more comprehensive initiative for the cancellation of the debt, in the context of more generous co-operation in development policies and of an initiative for the “creation of a multilateral commercial and financial system that must be open, fair, based on law, predictable and nondiscriminatory” (Resolution A RES 55.2 of the UN Millennium Assembly); in this regard, the proposals made by UN Secretary General Kofi A. Annan in the Document for the Millennium Assembly should be considered: immediate cancellation of the debt for countries which have suffered great conflicts or natural disasters, extension of the HIPC initiative, linking it to the notion of debt sustainability and fair terms, creation of a seat of international arbitration to evaluate disputes between creditors and debtors; it is furthermore important to obtain the full involvement of civil society and of the nongovernmental organisations and the commitment of the governments of debtor countries to allocate the resources from the cancellation of the debt to active policies in favor of human promotion.

3. To ask for an opinion from the International Court of Justice to ascertain the framework of the general principles of the rights of individuals and of peoples according to which

international debt should be regulated, in compliance with the principles of human solidarity at the national and supra-national level referred to in articles 2, 55, 56 of the UN Charter.

## Italian Senators Present Motion for a 'New Bretton Woods'

On Oct. 19, a group of 25 Italian Senators presented a motion to be voted in the Italian Senate, calling on the government of Italy to promote an international "Bretton Woods" conference. The initiative is the latest in a series reflecting the influence of Lyndon LaRouche's proposals, and comes in the wake of LaRouche's latest visit to Italy in October, during which he discussed a New Bretton Woods conference with members of the Italian Parliament.

The motion was published on the same day in the official Parliamentary Acts of the *Gazzetta Ufficiale*.

The first signer of the paper is Sen. Riccardo Pedrizzi, deputy chairman of the Alleanza Nazionale (AN) group in the Italian Senate, and coordinator of the Interparliamentary Group department on "Politics and Relations with Christian Churches." Other prominent signers are Gian Guido Folloni, chairman of the Unione Democratica Cristiana (UDC) group in the Senate, and a member of the Interparliamentary Group executive; and Luciano Callegaro (UDC), coordinator of the Interparliamentary Group department on "Politics and Justice." Other parties represented are the Centro Cristiano Democratico (CCD), and Forza Italia (FI).

We publish here the partial text of the motion. The full text and list of Parliamentarians signing the bill, is published in *EIR*, Nov. 10, 2000:

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### Text of the Motion

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It is the view of the Italian Senate

That, for months the international markets have been characterized by total instability and volatility;

That, the financial crises of the 1990s which hit Asia, Latin America, and Russia, have revealed the weakness of the international monetary and financial system; they, in fact, do not represent isolated or fortuitous cases, but are manifestations of a systemic crisis;

That, financial globalization has led to a complete deregulation of markets, above all, of the most aggressive and speculative sectors, like the "derivatives" financial products;

That, in the past ten years, in particular, there has been a

"scissors crisis" between the real economy and the financial economy, which gave birth to a gigantic speculative bubble which reached at least the amount of \$300 trillion, against a GDP worldwide of about \$41 trillion;

That, this process has had devastating effects not only for economies, but also for the standard of living and quality of life, particularly of the populations of developing sector countries, and extremely negative effects on the levels of production and employment, with social consequences which are very worrisome, in the industrialized countries as well;

That, there is no reason to believe that, without regulation, the process of expansion of the speculative bubble can be stopped autonomously, simply by adhering to the market and its rules;

That, faced with this situation, the international community has tried to reinforce "the architecture of the international financial system," to make the world economy less vulnerable to devastating financial crises, and at the same time to make it possible for all countries to enjoy the benefits of globalization, contributing to the amelioration of these countries' growth perspectives and to the reduction of poverty for developing populations;

That, in a communiqué of April 16, 2000, the International Monetary and Financial Committee, underlined the importance of ensuring "major transparency of economic policy, as a guarantee of a better functioning of the economy of states and of the international financial system." The committee also called for "the implementation of other measures to promote greater transparency of the policies of the IMF [International Monetary Fund] and those of its member states"; . . .

### Considered:

That, it is indispensable to take into consideration the repercussions of the macroeconomic and structural policies followed by countries with strong currencies;

That, strong fluctuations in the exchange rates of the small and medium-sized open economies, run the risk of a high economic cost, mainly for the weak currencies and the poorest countries;

That, in the context of the present situation, it is useful to evaluate not only the advantages coming from the liberalization of capital movements, but also the risks that such globalization represents;

That, the experience of the recent crises confirms that the coherence of macroeconomic policy and currency exchange policy, sound administration of debts, and efficient control of financial systems, are indispensable elements to reduce the frequency and gravity of the same crises;

### Binds the Government:

To adopt concrete measures to contribute to the stabilization of the international financial system and to assure a rational sharing of the benefits which the open world economy could provide, above all for the developing countries, besides