

LaRouche Calls For 100-Days Legislative Package To Lead U.S. Into New Monetary System

Lyndon H. LaRouche, Jr., the author of the "International Development Bank" proposal upon which the general outlines of the Bremen and Bonn economic summit agendas have been modeled, issued a call on July 13 to create the conditions for immediately bringing the United States into the new monetary system being created at the summits. LaRouche, who is the chairman of the U.S. Labor Party and a 1980 candidate for President of the United States, called for a "Hundred Days" legislative program to bring the American economy into a worldwide high-technology industrial boom.

The LaRouche challenge was issued when it became clear that President Jimmy Carter would return after July 17 from the summit in the West German capital convinced of the perspective of establishing a new, gold-backed monetary system for the world to bypass the World Bank and International Monetary Fund. As the United States chief executive was arriving in Bonn, those two institutions were being exposed as the worst violators of the very human rights to which Carter is profoundly committed.

In their place, France and West Germany, with Japanese backing have placed on the table the "European Monetary System" seed-crystal of a new global system to establish massive increases in world trade and the industrial development of the Third World through technology transfer. The explicit model for this was set forth by Mexican Foreign Minister Santiago Roel on his visit to France, in the form of Mexico's announced plans to coordinate *through* the European Monetary System the rapid development of its own nuclear power industry in exchange for pro-

viding oil and uranium to the already industrialized nations.

LaRouche's legislative package to bring the United States into this system centered on the following points:

- Creation of a new, U.S. credit institution to issue long-term, low-interest gold-denominated (with gold pegged at \$240 per ounce) bonds, for industrial expansion;
- Repudiation of the no-growth Schlesinger energy program;
- Repeal of the environmentalist restrictions on industrial expansion (substituting sane regulations where useful for the healthy development of the economy);
- Go-ahead for rapid completion of nuclear energy installations and the expansion of nuclear power potential throughout the U.S.;
- Repeal of all restrictions on high-technology exports, to allow full American participation in global economic development.

U.S. labor, industry, banking and political forces must now be pulled together in support of this "Hundred Days" program, LaRouche urged. As leaders of governing and policy-making institutions come to understand that the international program being implemented following Bremen and Bonn is in agreement with the International Development Bank conception, the presidential candidate stressed, they are comprehending that the United States can only be successfully brought into the West European-led "Grand Design" by following the specific direction indicated by LaRouche.

What Carter Can Do At Bonn

The U.S. Labor Party's LaRouche lays out a winning strategy

I have just read David Broder's black propaganda column, "Gloom Hangs over Carter's Europe Visit," in today's issue of the Chicago Sun Times. Contrary to the wild falsehoods currently being circulated by Broder and many other columnists and editors, President Carter has overwhelming potentialities to return from the Bonn Summit the shining hero of the hour.

Everything essential is already established. Unless London is able to launch its Israeli puppets into a new

Middle East war, the governments of France, West Germany and other nations have already established a new world monetary system, soon to be based on gold, which completely replaces the bankrupt, inflationary Bretton Woods system. The new European Monetary System is the keystone institution of a new world monetary system which replaces the International Monetary Fund and World Bank.

The key feature of the new monetary system is that it

ties up loose overseas U.S. dollar holdings in a new reserve pool together with gold. In due course, these dollars will be exchanged for bonds denominated in ounces of gold at relatively low interest rates. This pool will create credit for a rebirth of world trade, centering around nuclear and agricultural development projects for the developing nations. The dollars pooled will be used to buy up hundreds of billions of dollars of U.S. high technology exports for both Third World projects and for capital goods purchases by industrialized nations engaged in expanded exports.

Under this arrangement, I and my associates have precalculated that the U.S. dollar should move toward the asymptotic value of about 3.00 German marks, and monetary gold at free market prices to between \$230 and \$240 an ounce. This estimate is accepted by various key leading agencies involved in planning and coordinating the development of the new monetary system.

President Carter has already been briefed on these proposals by President Giscard, Chancellor Schmidt and others, as well as by other relevant channels. To come home with glory, Carter has only to dump the policies of the Brookings Institution (Kissinger, Schlesinger, Bergsten, Richard Cooper, et al.), to lift barriers to U.S. nuclear and other export licenses, and to aid Europeans and Japan in bypassing the IMF and World Bank in a new credit arrangement for development.

President Carter has the lever for bypassing the IMF and World Bank. Those institutions, under the current policies associated with outgoing IMF Director Witteveen and the World Bank's Robert S. McNamara, are guilty of creating massive violations of human rights throughout the Third World and other locations. IMF and World Bank conditions mean a combination of vicious, totalitarian regimes — to carry out vicious austerity measures — and forms of austerity bordering on willful genocide.

Carter will also benefit from the massive backlash against "drug decriminalization," "environmentalism," and related follies. The constituencies for high-technology, nuclear and fusion energy, and for job-creating industrial expansion and exports are on the move within the USA, led by key trade unions and the NAACP as well as industrialist forces. If President Carter returns from Bonn to announce the new arrangements put into place by the July 7 Bremen summit before the Bonn summit, he will trigger waves of rejoicing and relief throughout the majority of the population — a population filled up to the point of vomiting with Schlesinger's Naderism and Senator Jackson's profile as the leading "Manchurian Candidate."

— Lyndon H. LaRouche, Jr.

A New Global Monetary System

Bremen and Bonn: A program that can solve America's economic woes

The July 16 Bonn Economic Policy Summit marks the first step for the launching of a new global monetary system, based on the principle that the advanced western industrial nations must politically guarantee massive U.S. dollar investments in the industrialization of the Third World and the development of nuclear power energy resources.

As the new international monetary system begins to go into effect after July 16, unavoidable shifts in the present alignment of chief currencies and in the price of gold will occur. Leading European bankers concur with U.S. Labor Party Chairman Lyndon LaRouche, Jr., that the tendency for the coming months will be for the dollar to rapidly appreciate to the 3 deutschemark level; for the price of gold to climb to the \$240-300 range; and for the pound sterling to plummet, unless a major industrial development program is announced for Britain. (See LaRouche's comments in our Economics report.)

Conceived by prominent leaders of the dollar-surplus nations, West Germany, France, Saudi Arabia, and Japan, the new monetary system is an adaptation of the 1975 International Development Bank (IDB) proposal authored by LaRouche. True, the overwhelming majority of top U.S. officials do not presently recognize the political commitment by the U.S.'s chief allies to implement this program. But as dollar-surplus nations —

that is, holders of massive credit demands against the U.S. economy — these allies have the means to *impose* a complete reworking of the dollar-based international monetary system on the U.S. debtor economy.

The fundamental feature of the program now adopted as official policy by the leading dollar-surplus nations is that a stable international monetary system is founded on massively funded, multinational central banks, whose liquidity is channeled into long-term, low-interest trade financing, and into the creation of self-expanding import markets in the Third World. Such a system allows for a fresh look at East-West trade as the precondition for "triangular trade" relations sufficient to supply capital goods to the Third World. The whole approach finally sweeps away the "monetarist" outlook which governed Western economic policy deliberation under British domination into the disastrous Bretton Woods accord.

The European Monetary System

The historic, unanimous decision of the European Economic Community at its July 7 Bremen summit to found a European Monetary System (EMS), based on a multinational central bank capitalized at \$50 billion, and scheduled to begin operations Jan. 1, 1979, has set the stage for reform of the world monetary system.

Importantly, the EMS is being designed to be able to