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‘New economic order is in the interests of North and South’

The following is a transcript of Helga Zepp-LaRouche’s address to the Club of Life conference in Paris on Feb. 19. Subtitles have been added.

If we look at the world as a whole from the standpoint of reason, the New World Economic Order is so obviously in the interests of North and South that it seems incredible that political forces in the North and the South have not long since seen its realization as of the absolutely highest priority. The world has reached such a point of crisis today that it has become clear that we either realize the New World Economic Order in 1983, or destabilization processes will begin, which will in all likelihood lead to the destruction of the human race.

The international economic crisis is now threatening the lives of millions of people in the developing sector, and unless things are immediately turned around, as many as 2 or 3 billion people will die by the year 2000. We are facing the danger of the worst holocaust of all time.

This situation is not the fault of the developing sector nations, as evil Malthusians claim. It is the result of centuries of colonialism, sometimes disguised, but now quite open.

The new colonialism

You have to think about the brutality of British colonialism—imagine the ships laden down with precious goods which Britain literally stole from India during 300 years of savage looting, with the result that India was relatively poorer at the time of independence than 300 years previously—in order to be able to judge how severe the effects of colonialism were on the developing sector.

When many developing countries became independent, the Bretton Woods system put them at a disadvantage from the start, through unjustly calculated currency parities. The fact that the developing-sector nations are now almost bankrupt is the result of a development that has had increasing effects from the middle of the 1970s.

The developing-sector nations have been hit even worse with the results of the oil crisis by the way that the OECD

nations have covered up their own economic crisis by increasing the looting of the developing sector.

With manipulated exchange rates, organized capital flight, and an ever-increasing discrepancy between the higher and higher prices of imports, and the lower prices of exports, the developing-sector nations have been further squeezed since the middle of the 1970s. The high-interest-rate policy of Federal Reserve head Paul Volcker has drastically increased the debt service to be paid by the developing sector. When the affected countries, crushed by this usury, were forced to go to the IMF, to discuss a reorganization of their debt, the IMF added the infamous “conditionalities,” forcing the devaluation of the currency and other, similar measures, putting these countries in such a bad position that their exports could be bought with the most derisory amounts of currency of the OECD countries.

If the oligarchical circles behind the IMF, the World Bank, and the Bank for International Settlements were to succeed, and were able to link the refinancing of individual countries’ debts with contracts permitting the unlimited looting of those countries’ raw materials, through a newly created world central bank, then with one stroke, colonialism would simply be reintroduced, and even the illusion of national sovereignty would be removed.

This long chain of looting and disadvantages is the reason why the developing nations are so indebted, and the reason why they simply cannot pay their debts. It is not true, as some evil journalists in the Western press claim, that “over-ambitious development projects” are to blame.

Exactly the opposite is true. The monetarist credit policy of the IMF is the reason why many promising development projects have had to be stopped. The developing-sector nations understood, at the latest since the reaction to their demands for a New World Economic Order at the 1976 conference of Non-Aligned countries in Colombo, that the leading financial institutions of the North have not the slightest interest in the industrialization of the South, but that in fact the majority have long been “decoupled” and that the transfer of technology ended years ago.

If the developing countries continue to be subjected to the International Monetary Fund's demands for austerity, then hope for a recovery will disappear forever, and developing nations will be threatened with coups and regional wars. Mexico, for example, is threatened with destabilization just as Iran was, Central America could sink into a blood-bath, coups and civil wars are threatening Venezuela, Columbia, Brazil, Argentina, Peru, and Boliva, and the entire Ibero-American continent could go under in a "Second Pacific War," a scenario which Henry Kissinger has had on his desk for a very long time. India is threatened with civil war, organized by the British secret services. Africa has simply been sentenced to death by the International Monetary Fund.

All these countries are suffering from an enormous lack of development. Mexico needs nuclear power plants, transport systems, capital goods of all kinds. Ibero-America as a whole could become in a relatively short time an incredibly strong economic bloc.

If India, which already has a labor force similar to European levels, of 50 million people, could make the appropriate capital investments, it could soon become an exporter of advanced technology for the whole of Southeast Asia, and, as has been calculated in a study using the LaRouche-Riemann model, by the year 2020, could produce twice as much as the whole population of the world did in 1979.

Africa needs enormous quantities of investments in capital goods, cities, schools, railways, heavy industry, light industry, mechanization of agriculture, and so on.

The oligarchy in the North

The industrialized nations depend on imports of raw materials from the developing sector, and depend equally on exporting their products to them. The economy of the Federal Republic of Germany, for example, depends on exports for 40 percent of its activity. Japan, France, Italy, and other countries show a similar picture.

Unemployment in the OECD countries has officially reached over 30 million, and in fact there must be at least 40 or 50 million unemployed. The Federal Republic of Germany now has 3.5 million unemployed, and it is predicted that this figure will reach 6 million by the end of this year. If the international economic crisis continues to unfold, there could be as many as 100 million unemployed in the industrialized nations by the end of this year.

Mexico already has an unemployment rate of 40 percent, and in many developing countries, statistics showing unemployment just do not exist at all, only statistics showing how many young children die, or how long people live on the average, which is sometimes only half as long as in the North, or how many people die from starvation. It is clear for everyone that the developing countries are threatened with destruction due to the lack of precisely the kind of capital goods that the present 40 million or 100 million unemployed people in the North could produce!

Would it not be in the self-interest of the North to have productive full employment, and therefore political stability? Would it not also be in the interest of the North to have a tremendous transfer of technology and an export offensive towards the South?

Instead, so-called steel experts, thinking like oligarchs, recommend that European capacity should be cut by half, whole modern steel complexes being closed down, the kind of complex that any developing country would dream of having! Hundreds of thousands of highly skilled qualified workers are made unemployed in this way, losing their incomes and means of existence, just because the proponents of a post-industrial—or rather a pre-industrial feudal society—want to destroy all heavy industry.

Farmers in the industrialized countries are going bankrupt under the burden of the high-interest-rate policy, and receive premiums for cattle which are *not* raised, and for land, that is *not* cultivated, so that it can soon be predicted when these countries will face food shortages.

If some people can produce what others need, if the New World Economic Order is so obviously in the interests of all, why does the North appear not to recognize its own interests?

The problem is that not only has the South never fully thrown off the yoke of colonialism, but that the industrialized countries are not sovereign republics, but are more or less ruled by oligarchical dictatorships. Dictatorships—not in the military sense, but in the monetary sense. Although everybody knows that the OECD nations are going into the worst crisis of the century, and are not only experiencing mass unemployment but other consequences, such as the danger of new fascist movements, apparently not one single government in the industrialized countries is capable of defending its own interests.

The absolutely key question today, by far the most important question in international politics today, is: Who controls the creation of credit and debts—sovereign national governments, responsible to their populations, or private financial circles, which want to rule the world through the supranational dictates of a world central bank, accountable to no one? The control of credit and debts, this is the key question. The answer is decisive to whether the result is worldwide feudalism and probably a Third World War, or a New World Economic Order. With the exception of the Banque de France, all the central banks of the OECD countries are private concerns. *They* have the right to print money or to restrict monetary circulation—not the elected governments.

The governments of the North and the South have the same problem: these private financial circles are the main opponents of the realization of the New World Economic Order. These circles would rather see entire economies destroyed, whole populations massacred, whole continents wiped out, rather than agree to a reorganization of their bankrupt economic system, and risk a reduction of their powers!

The cynical cold-bloodedness with which Swiss or Lon-

don bankers murder whole developing countries with IMF "conditionalities" exceeds even the cold-bloodedness of Nazi killers, sitting at their desks and sending thousands to their deaths in concentration camps with just their signatures.

The necessity of the debtors' cartel

Now, with someone who prefers to sacrifice millions of human beings, rather than accept the reform of the international monetary system, with people like that, appealing to reason is a waste of time. Where there is nothing, there is nothing to appeal to. These oligarchs want to turn back the clock and recreate feudal structures—these oligarchs are the enemies of mankind.

The only criticism I would like to make of the representatives of the developing sector is that they have often been too naive.

The International Monetary Fund is the instrument which the oligarchical circles are using to plan and carry out genocide. As the example of the Ditchley Group shows, the financial institutions have built a creditors' cartel, under the control of the IMF, and with whose help they can subjugate the developing nations "case by case."

There is only one way the poor and the weak can force the world to reason, in the face of the overwhelming power of the oligarchical conspiracy: the developing countries should form a debtors' cartel, to force through a controlled reorganization of the world economic system, and the New World Economic Order.

Such common action by a group of developing nations is the only way to force governments of the industrial nations by a violent shock from the outside, to defend their own interests.

If the governments of the industrialized nations were so suddenly and painfully confronted with a debtors' cartel, an unmistakable message, all the illusions that the economic crisis could be overcome if only sufficient cuts in spending were made would cease, and then new options could be developed. It is extremely important that the members of the debtors' cartel address the population in the industrialized countries, where people have been hard hit by the international economic crisis, and that they show them where their common interests lie. Only if the population is mobilized will it be possible to reduce the power of private banking interests.

The developing countries by themselves are too weak to resist the IMF. Only if they can create an unbreakable unity among themselves, for example, linking the fight of Ibero-America to that of the Non-Aligned movement, and linking up with forces in the North to work together in their common interest—only then is the right combination of forces created.

The Club of Life, which has given itself the task, as it says in its founding principles, "to fight for a just New World Economic Order," is holding conferences here in Paris, in Washington, D.C., and in about 50 other cities in the North and Ibero-America, in Asia and Western Europe, to signal

international support for the upcoming conference of the Non-Aligned movement. A signal that the people in the North are not prepared to march like lemmings over the cliff, and to give up the fundamental ideas which have developed human civilization over the centuries, in exchange for the "post-industrial society." Rather, we want to show that there are people and political forces in the industrial sector who see the New World Economic Order as the only way out.

If the catastrophe of an international collapse imposed by an IMF-dictatorship is to be avoided, then in the next few weeks, at the summit of Non-Aligned nations, or shortly afterward, a group of developing nations must drop the debt bomb. That is, these countries must use the only means which is feared by the oligarchical financial interests, the only weapon that can stop their plans.

On a certain day, Day X, these countries must announce together their incapacity to pay their debts, and, appealing to the self-interest of the industrialized nations, propose a controlled, global, reorganization of debts, and the creation of a New World Economic Order, as Lyndon LaRouche has suggested in the document "Operation Juárez."

There is certainly no developing nation, not even those whose governments are described as reactionary, which has not asked itself the following question: What would be the consequences if we decided to resist the "conditionalities" imposed by the IMF? A total cut-off of all credit, meaning a cut-off of imports of spare parts, of food, and other essential goods, followed by coup attempts and murder—as in the case of Pakistani Prime Minister Ali Bhutto?

As India is being destabilized right now by ethnic movements controlled from outside the country, desperate attempts to paralyze India, as the most important leader of the Non-Aligned movement and host of the conference, must be expected. If some developing nations in New Delhi or around the time of the conference use the debt bomb, it must be expected that the threats and blackmail already used against these countries will escalate dramatically.

So, if the members of the debtors' cartel don't waver and stand by their positions, the banks and governments of the industrial nations will have no other choice but to agree to the proposed, orderly debt-reorganization and the negotiation of new credit, or else the entire monetary system, with titles worth between \$1 and \$2 trillion, collapses.

The ongoing financial crisis may now be so overwhelming that a staunch debtors' cartel were a far stronger power. This would at the same time be the *punctum saliens* in the centuries-long drama of the history of colonialism—the turning point, in which the heroic intervention of leading figures prevent the potential tragedy and instead give the drama a happy ending.

The mobilization of the Club of Life in the past four months has taken care that this alternative is known to every government of the world. It is conceivable that President Reagan, under the pressure of events, can be brought to agree

to the reorganization of the world monetary system, as the U.S. Congress can likewise be held back from ceding American sovereignty to a couple of private bankers.

In Europe, Spain, which as it is can be understood as the bridgehead to Ibero-America, and whose current Prime Minister González has already raised the demand for a debt-reorganization, and France are the two countries which provide some leverage in this situation.

Should the worst case occur, and the industrial nations react to the formation of a debtors' cartel with a total halt to credit and with trade sanctions, the developing nations would be forced to fall back on an exclusive South-South cooperation. Under such circumstances they would of course have the possibility of forming their own national banks, and creating their own credit for the financing of a multilateral, South-South cooperation.

They would, without doubt, in such a case be exposed to great hardships, but would find themselves on the path to hope, while any capitulation to an IMF central bank and thus to an explicit fascist economic system with the population reduction desired by the Malthusians, would, in a word, have genocide as its result.

It is, however, totally conceivable that the introduction of the debt bomb and the debt reorganization it would compel, would pave the way for a global overcoming of the world economic crisis.

Creating a new renaissance

If, following a global reorganization of the debt of not only the developing countries, but also the greater part of the public debts of the industrial nations, and if new credit with a low interest is created for a worldwide jobs program, for new investments in technological renewal, export capacities, technology transfer, and well-defined Great Projects, then the current depression could be overcome within weeks, and after several months the greatest economic boom in all history would be launched.

The massive development of nuclear energy in the industrial nations and the transfer of this technology to the developing sector would mean cheap energy (and a cleaner environment) for the North, and for the South, the opening up of what were till now useless areas for agriculture and settlement.

The population potential of the earth, solely through the overall utilization of nuclear energy, would increase tenfold. Human beings would no longer be viewed as "useless eaters," but rather each new individual would be viewed in terms of his creative potential as an additional enrichment of the human species as a whole. There is no reason why we can't in but one to two generations have created conditions worthy of human beings for all people on this earth, including those who today belong to the most poverty-stricken. In principle we could repeat all over the world the examples of the industrialization of Germany or Japan, as precisely these two countries are the proof that possession of raw materials does not

equal social wealth, which is created solely and uniquely through advancing technology increasing the productivity of labor.

The gigantic struggle which marks the battle for the New World Economic Order, is nothing less than the fight for the survival of the human race, and at the same time and in every aspect it is the fight for the principle of the inviolability of each human life and the inviolability of human dignity and the rights of all peoples on this planet.

And now it has been shown that a basic principle of the Non-Aligned movement as well as the republican tradition in the industrial nations, has become a matter of life or death—the principle of national sovereignty.

The establishment of the first nation-state in France in the 15th century under Louis XI was the precondition for the declaration of human rights embodied in the first successful republican revolution, the American Revolution of 1776, insofar as only the nation-state possessing the possibility for a republican representative system protects the rights of the individual, by making the government responsible for these rights, while on the other hand calling upon the individual to assume co-responsibility.

This safeguarding of the rights of individual human beings, mediated through sovereign nation-states, is in correspondence to the demand of absolute equality of rights for all sovereign states in this world. Any forms of supranational control and dictatorship, as for example the idea of a world central bank, violate not only national sovereignty but also at the same time the human rights of the individual. That would be overall understood wherever one can be proud of a republican tradition, whether in the France of the Fifth Republic or the American or Mexican Revolutions, or the Non-Aligned movement.

A just New World Economic Order therefore should be founded on absolute respect for the national sovereignty of all states, and the development of the worldwide division of labor to the mutual advantage of all. This would include, for example, the idea that while certain achievements ought to be rewarded, technology must not become the monopoly of some to the injury of others.

Even if humanity appears today to be far removed from such a course, only a world order such as has been put forward in the encyclical *Populorum Progressio* by Pope Paul VI, or in the Grand Designs of Nicholas of Cusa, Leibniz, or Nehru, can guarantee our survival.

Precisely on account of the depth of the crisis, is the Club of Life an institution for all those who believe in the potential for reason in all human beings, whether North or South—and only on this highest plane is agreement possible—and in the possibility of a world order based on reason. Let us pledge to multiply our interventions in the fight for a new just world economic order, so that we can bestow upon mankind new intellectual revolutions and the achievements of a new worldwide humanist renaissance.