

Zepp-LaRouche: Last Chance For a New Bretton Woods

Helga Zepp-LaRouche keynoted a private EIR seminar in Wiesbaden, Germany on July 26. Here is an edited transcript of her remarks. Due to audio problems, it begins mid-sentence. Subheads have been added.

... ever since August, we have the collapse of the banking system, we have a credit crunch, interbank lending has almost ceased completely, because every banking, every major investment bank knows that they're sitting on hundreds of billions of unsellable paper; unsellable, because these are structured investment vehicles, and mortgage-backed assets, and all kinds of other things, which if they would be sold, everybody would realize they may be worth 5 cents on the dollar. And then the whole thing would be devalued, and the banks would have to declare bankruptcy. So, since that time, any interbank lending has come to an end, and the central banks so far have only decided to pour liquidity, already well over \$1 trillion—actually much more—and that has just, from September [2007] onward, fueled the hyperinflationary process. You could see it from Septem-



EIRNS/Chris Lewis

Helga Zepp-LaRouche, shown here speaking to the EIR seminar July 26, called on participants to join her in fighting to bring about a new, just world economic order—now.

ber onward in the explosion of food prices, of energy prices, of commodity prices.

And naturally, as Lyndon LaRouche has said many times, the problem with these bubbles, is they're like a slime-mold, as are their owners. You know, you had the new market bubble, which exploded in 2000-01, which eliminated \$16 trillion in terms of assets. At that point, [Fed chairman Alan] Greenspan lowered the interest rate in the United States almost to zero, which led to the mortgage and real estate bubble. And now that that bubble is collapsing, which was absolutely foreseeable, because if you give a mortgage to people who have no capital to pay for it, or no wages to support it, the explosion had to come.

Now, with the collapse of the real estate and mortgage bubble, the speculative money went into food: into biofuel speculation, into other food speculation on the Chicago Board of Trade, into commodities, into energy, oil, and other things, and this all is a bubble. And there is nothing in this universe which will make it possible to come to a normal situation.

This view, by the way, is shared by some extremely high-ranking people in leading positions in the world financial system, who privately tell you the system is bankrupt, and the only thing which would save it, would be a complete nationalization of the banks—which in part they have started to do. The Mother of Free Trade, Great Britain, already nationalized Northern Rock and similar things, but this thing is completely untenable.

There is a report out, that there are 100 commercial banks in the U.S. which are bankrupt, but for national security reasons, this list has not been published, because if such a list would be published, naturally, that would be the end of the U.S. system. But today, two more banks collapsed: one, the Bank of Nevada, and then another bank. So this is the seventh bank in a row, which closed after IndyMac. And you saw the lines of people who were in a run on the bank!

Now, I'm not predicting that this will happen, but the thing is so overextended, that a run could happen almost any moment around the world. And that would be, indeed the end of the system. Because if people would get the idea that their money is not safe in the bank any more, and everybody would be in line, like it happened with Northern Rock, with Countrywide, and now with IndyMac, then this system would be finished right this minute.

Weimar Germany Redux

Now, we do not have a cyclical crisis; we have, what was discussed in the early 20th Century by the German Social Democracy, as a general breakdown crisis of the system. And, any attempt to prolong that by putting in liquidity is just going to lead to hyperinflation worldwide, like happened in Weimar, in 1923. You remember that, after the Versailles Treaty imposed the payment of the war debt on Germany, plus their own debt which they had accumulated from the war period, was simply too much. So, the Reichsbank just printed money. And this, then, at a certain point, in March 1923, started to show in prices, and by November the thing had become absurd: You had up to 1 trillion reichsmarks for a pound



We do not have a cyclical crisis; we have a general breakdown crisis of the system, Zepp-LaRouche said. And, any attempt to prolong the system by drowing it in liquidity is going to lead to hyperinflation worldwide, like what happened in Weimar Germany, in 1923. Shown: Cash is transported from a bank, April 1923, in Weimar: a gold mark was then worth a million paper marks.

of bread, and then the whole thing came to a screeching halt, because it became absurd.

Now, as [Fed chairman Ben] Bernanke, who is known as “Mr. Helicopter Money,” has said, before they ever let the system go bankrupt, they will fly with helicopters over large cities, and just pour banking notes out, to prevent a collapse, and that’s exactly what they’re doing right now. And Bernanke has also said, the good thing is, you don’t need to physically print money any more, because you have the beautiful method of electronic credit creation, which gives you a hundred ways to create credit these days.

Now, obviously, this is the problem, and it is an international phenomenon, because, for example if you look at China, China is, to a very large extent, depending on the U.S. import market; because of globalization, the outsourcing, a lot of capital, a lot of activity has been geared towards cheap production, in China, for the market. This market is now falling into a depression which is hitting Chinese export values very badly, but it also devalues \$1 trillion foreign reserves which China has in dollar assets. And a lot of these are U.S. Treasuries, but a lot of them are also bonds from the Freddie Mac/Fannie Mae papers; so the same goes for many other Asian countries. There are 35 countries which are pegged to the dollar in one way or another, so that this hyperinflationary move by the Federal Re-

serve, by trying to resolve the problem to just pour liquidity, is simply affecting the whole system.

Now, as you could see, the G8 meeting which just took place in Japan, utterly failed to address the systemic meltdown of the system. It was a complete failure, that did not discuss anything. And in part it was noted, especially by the Russians, that the failure to involve the so-called BRIC countries—Brazil, Russia, India, China—plus other nations in a solution, naturally was one of the reasons.

Now the big question will be: Will it be possible, one way or another, to get a combination of governments together, which will, in time, impose the kind of measures to remedy this situation?

Assault on National Sovereignty

And that brings me to the second problem, that is Europe: Because some people here know that we have opposed the introduction of the euro, we have opposed the Maastricht agreement which was imposed on Germany after the unification in '89, and it was a geostrategic policy by Margaret Thatcher, by François Mitterrand, and in part, in a covert way, also by George Bush, Sr. But it really imposed a dictatorship of the Brussels bureaucracy and the European Central Bank, where one can say many criticisms, but the most important criticism for sure, is that it deactivated the sovereignty of the member countries, and thereby making it impossible for them to do any kind of intervention into the economic process.

For example, the so-called Stability Pact simply means that governments are forbidden to make state credit interventions of the kind Franklin D. Roosevelt did with the New Deal, and it simply has made these governments completely impotent to do anything about it.

Now, with the new effort to impose the so-called Lisbon Treaty, which fortunately, now, is, at least slowed down, because of the “No” of the Irish in the referendum, and the statements by the Presidents of Poland and the Czech Republic. *But*, let me state this very clearly: We are still in a mobilization to get this treaty completely off the table, because it is a cold coup from above. It's a complete scandal, because the “No” of the people in France and Holland in 2005—we have here, a couple of people who were very helpful in bringing this result about in France—which basically meant the treaty was a dead letter. But then, through the completely undemocratic measure of the convention, in

which a group of private individuals decided they would re-write it a little bit and give it a different name, namely, not calling it a “constitution” any more, but to call it a “treaty,” they decided on Dec. 13, at the Lisbon Summit of the European Union, in a stealth way, to simply ram it through without public debate, without discussion.

And I completely agree with some of the professors from Germany, and especially Austria, who have called it a “state coup from above.” The effort to impose an oligarchical dictatorship, where, if you look at the different elements of this treaty, once this treaty is signed, it could be changed by the European Council and the European Commission, into *anything* they wanted thereafter. And several people, including Prof. [Karl Albrecht] Schachtschneider, therefore have called this the new *Ermächtigungsgesetz* [Enabling Act], with reference to what happened in the Third Reich. And I fully agree with that, because there would be absolutely no more democratic control by the national parliaments, once this treaty would be signed.

It also would mean to turn Europe into an imperial power, with military interventions in the so-called developing countries, with the pretexts of “humanitarian concerns”: Countries which have already been mentioned are Burma, Zimbabwe, Sudan, and others. And it is very clear that the international financial oligarchy which has its own models of how to get out of this financial crisis, would like to turn Europe into a fascist dictatorship, and the United States, as well.

LaRouche's Three Steps

So therefore, we have a couple of really serious problems. One is that there are people who know that this is very bad, but they're either too corrupt or too stupid, or too cowardly to do anything about it, and therefore, in Europe, we are really in a bad position. Therefore, when Lyndon LaRouche, in his recent webcast [July 22], reiterated three measures, which absolutely have to be taken if the world is supposed to come out of this crisis, it takes this problem of Europe into account. And let me just repeat what he said.

He said: There need to be three measures: 1) a legislation, which he proposed last August, when he said that the evictions of millions of people in the United States following the mortgage and real estate collapse had to be prevented; and therefore he called for the Homeowners and Bank Protection Act, which essentially said that all people should stay in their houses and apartments, and

that state institutions should take over finding out what would be an appropriate rent; but people have to stay in their homes; and secondly, that the banks, according to the American Constitution, have to be taken under state protection; because if the banking system collapses, then naturally the economy collapses as well.

Now, the Congress in the United States is also extremely corrupt, because they took a lot of money from George Soros, and therefore, Nancy Pelosi and Harry Reid blocked an efficient action by the Congress which would have been the normal thing. But we decided to take this to the grassroots, and we have now passed this resolution in over 100 cities in the United States, where the city councils endorsed it. We have it introduced in many state legislatures, and this process is going on full steam.

Then, the second measure LaRouche said was necessary, is to introduce, in the United States, a two-tier credit system. Because the lowering by the Federal Reserve of the interest rate, to presently 2%, when the Bank of England has 5% and the European Central Bank has 4.25%, naturally means that you have a lot of capital flowing out of the dollar right now. And if the dollar collapses, people should not be happy! I mean, there's a lot of stupidity sometimes in some quarters, who say, "Oh, we hate the United States so much, it's good, let them collapse, let them crash against the wall." But I can only say that the consequences of this would be a global—*are* already a global crisis, and it would be much worse.

So therefore, LaRouche has said that the Fed should increase the interest rate to 4% for normal banking business, but to have a lower interest of 1-2% for crucial investments in infrastructure and other productive enterprises in the United States. And already now, several former members of the board of the Federal Reserve have come out and said something to this effect. Because anybody who looks at the situation, sees that something urgently of this type has to be done, even if this is only a stop-gap measure, and not the final solution to the problem. But it somehow stops the bleeding of the ulcer.

Now, the third measure, and this is obviously, the most important, is that we need to have a New Bretton Woods system: We need to have a conference on the level of heads of state, which basically declares this present system to be bankrupt, and establishes a new system. Now, LaRouche has said for a long time, that

the only way this could succeed, given the power of the international financial institutions, the hedge funds which are sitting primarily in London, but also in other places like New York, Frankfurt, and elsewhere—that only if you take the four most powerful countries in the world, would they have enough power to oppose this financial oligarchy: And that would be a changed United States, plus Russia, China, and India. And then individual nation-states should group themselves around these four countries, not as a European Union, but as France, Austria, Germany, Italy, and other nations, because it does not function with the European Union structure.

Now, this is, some people may say, a far-fetched, long-shot option, but it is not impossible.

Call To Double World Food Output

Let me first mention one other thing: that while all of this is going on, this breakdown crisis has an effect on the real world. You know, this is not something which only concerns Europe and the United States, but the effects on the developing countries are already murderous. Jacques Diouf, who is the director of the FAO [Food and Agriculture Organization], in June 2007, warned that there were hunger catastrophes coming in many countries of the developing sector. There was not even a mention of it, in the international media. Then, when, in October, he reiterated a warning, and said that there are hunger riots coming—which, again, was not reported, and nothing was done about it—these hunger riots took place until late April, when the international media, for the first time, chose to report it.

In December, last year, Diouf had said that he urgently needed Eu10.9 million—really peanuts—to buy seed for the poorest farmers of the developing countries; and in April, he said he was not able to raise that money, which led him to the conclusion that there was no intention by the rich countries to help the poor. And by that time, it was also too late, because the time for the Spring sowing had already passed, and therefore, this report came just before the annual meeting of the IMF and World Bank.

At that point, I issued a call: I said that the only response one can have to this, is to double world food production. Now how do you double the world's food production? First of all, the most immediate thing would be to stop biofuels, using food for biofuels; because I share the view of people like Jean Ziegler [UN Special Rapporteur on the Right to Food, 2000-08] and others, that,



UN/Eskinder Debebe

FAO director Jacques Diouf warned in June 2007 that a hunger catastrophe was about to hit in many countries of the developing sector. But nothing was done, and in April, when hunger riots broke out in Haiti—finally the international media began to report it. Here, hungry Filipinos line up in Quezon City, to buy rice, April 2008.



Noel Celis

ous development program, which is on the agenda anyway, if mankind is supposed to survive.

So, we took this call, and we collected worldwide quite a number of signatures, in the hundreds, from important institutions. For example, the Agriculture Committee of the Argentine Parliament endorsed it; hundreds of elected officials in the United States, in Latin America; there were many politicians and officials who endorsed it. So it is still on the table. The idea was, with this mobilization, to change the agenda of the FAO conference at the beginning of June.

Now, this FAO conference, also, was an utter failure, because it did not produce any result worth mentioning. But it did one thing: It clarified the fronts, by showing that there are two factions—one is the free-trade faction, the people who are pushing the WTO, the Doha Round, to eliminate all trade barriers and give complete freedom to the speculators; in complete contrast to those people who

to use food for biofuels, when you have world hunger, is a crime against humanity, and it's genocide.

Now, it is all the more incredible that by the end of April, the World Bank issued a report which it kept secret, that 75% of the food price inflation is coming from biofuels. They did not publish this. I issued this call to double food production. And, apart from biofuels, you would have to have a complete abolishing of free trade, you would have to go to food security instead; you would have to go through protective measures by individual countries, to have their food production close to where it is being consumed; and naturally, you have to really remedy what has been done by GATT and the WTO, by lowering the food capacity in the last decades; and to massively increase food production, especially in the developing countries, by building infrastructure, by building ports, roads, railways, water, new fresh water, through nuclear energy, through desalination, irrigation, food processing, food irradiation, and simply take a real, seri-

are talking about food security, about the common good of the people, about protective tariffs. So that is essentially what clashed.

The only good thing one can say about Europe, is that there are still remnants of the Adenauer/de Gaulle tradition in the European Common Agricultural Policy, which is a protectionist policy. It's not perfect, but it's its remnants. And the French Agriculture Minister Michel Barnier, Italian Agriculture Minister Luca Zaia, and even the German Agriculture Minister Horst Seehofer, are basically protecting and defending this, so that the present negotiations in Geneva, of the so-called Doha Round, are probably being closed down by the beginning of the week, forever.

And this has also led to a very useful clash between French President Nicolas Sarkozy and the EU Trade Commissioner Peter Mandelson. Because Sarkozy said at a certain point, that there's no way France will accept this, and then Mandelson said, "This is an outrage; I'm

representing the European Union. Sarkozy has nothing to say, this is not a measure of national government.” So, I only hope that this will enlighten the national impulse of Sarkozy and some other French people.

Therefore, you have a very critical situation.

The U.S. Elections

Now let us look at what are the options, in this environment, to come to the Four Power agreement that La-Rouche has suggested.

First, the situation in the United States: Because we have in Europe, a media, which is more controlled than during the period of Goebbels (if people have questions about that, I’m happy to give you many examples as a proof), therefore, most people do not have much knowledge about the election situation in the United States. The reality is, that the entire game plan of the U.S. election was to build up Obama, who is a completely shallow person, who has only empty words, and if you look at the content of what he just said in Berlin in his speech, it is essentially the same thing as Bush is saying: “More war against terrorism; more troops to Afghanistan.”

But, thankfully, Obama, before he left the United States, let a little cat out of the bag, by saying he wants to reduce the tax burden of Americans for supporting U.S. troops in Afghanistan, therefore he would demand that the Europeans send more troops! But he wants to have a strengthening of the European Union, so the European Union can “reach out,” and he mentioned Darfur and other such problems.

But the point is, Obama is not what he appears to be. He’s not this Hawaii-born, young, attractive man who has a *Waschbrettbauchen* [“six-pack abs”]—he goes to the Adlon fitness center to prove it, and have pictures taken! No, the problem is, the only purpose of the Obama campaign was to ruin the election of Hillary Clinton. Now, people have views about Bill and Hillary Clinton, but I can assure you, that we know, from being very closely involved in the situation, that Hillary Clinton emerged in the election campaign, especially since the primary in New Hampshire, as somebody who is really taking on an FDR profile. She has made many speeches, saying that she would take the interest of the “forgotten men and women,” the “invisible” Americans—the people who have three jobs and still cannot afford an education for their children. And she definitely is the only one who has any knowledge about economics.



Obama for America/David Katz

In his speech in Berlin, Barack Obama, “a completely shallow person,” echoed George Bush’s policy: “More war against terrorism; more troops to Afghanistan.” Here is Obama on his extended worldwide photo op, in Jerusalem, July 23.

She had the most popular votes, she had more votes than any other Presidential primary candidate, ever, in the United States—18 million—and she has more delegates; nevertheless, the media, after each primary victory would say, “Oh, she almost lost!” Even when she had landslide victories in some cases, they still painted it as “She’s a complete loser.”

The pressure became, at the beginning of June, so massive—because also the head of the Democratic Party, Howard Dean and Nancy Pelosi—they were completely against her; and George Soros, who is famous for many “humanitarian causes” around the world, poured money in, with his organization MoveOn, to buy delegates. Unfortunately, many African-Americans need money for their social programs, and using something like the faith-based initiative, money was given to these people to come out for Obama.

Hillary, under these conditions, suspended her campaign, but she did not end it—and she did not release her delegates.

In the meantime, a sobering-up has occurred among the base of Obama, because, contrary to his big words of “change”—and “change,” which, in English, means also the little coins you get back when you pay, so he’s really the “candidate of change”—are disappointed, because he kicked out many African-Americans from leading positions of the party, and replaced them with party hacks, with party *apparatchiki*. Now, there is a real move away from Obama. And many people who voted for Hillary, said they will absolutely not vote for Obama.

And therefore, you have now, 53 organizations which have sprung up in the United States, to demand there should be an open convention, that there should be a roll call vote, and an open nomination, and speeches for the nomination of Hillary; and then there should be a contest between the two candidates.

One organization is called PUMA, which stands for “Party Unity, My Ass!” because now the DNC [Democratic National Committee] says, there should be “party unity” behind Obama. These people are committed to fight for the nomination of Hillary; many others there now, are putting advertisements in the leading American newspapers, demanding an open convention. And given the fact that it is our expectation that the financial crisis will worsen, and it’s about five weeks until the convention [begins Aug. 25], that it is absolutely, eminently possible. Because it will become clear that Obama, who has really not said anything concerning the economy so far, that the circumstances could very well arise that this leads to the open convention and the nomination of Hillary. And even if that would not happen, by September, this system is going to blow! And therefore, we are in a completely open situation.

A ‘New Deal’ for Russia, China, India

Now, if you look at the other countries, Russia, China, and India: How do they do in terms of the potential to put such a coalition together?

Now, the good thing about Russia, is that both [Rus-

PUMA's Have Awakened



PUMA videograph

Members of PUMA (Party Unity, My Ass!) are demanding an open Democratic convention; they are committed to fight for the nomination of Hillary Clinton, who received the greatest number of votes during the primaries.

sian Prime Minister Vladimir] Putin and [President Dmitri] Medvedev have already talked about the systemic crisis; they are not totally clear on what that means, but that can be remedied. Putin has spoken many times that Russia needs a “New Deal,” that the foreign policy between Russia and the United States must be on the basis of the tradition of Franklin Delano Roosevelt, and the Russian government has started to go in the direction of a program which we are pushing since the beginning of the '90s, namely the Eurasian Land-Bridge. And maybe, the most spectacular of these infrastructure projects, is the commitment of the Russian government to build across the Bering Strait, a 6,000 km railway between Siberia and Alaska, with a 100 km tunnel underneath the Bering Strait, which is a promising thing.

The shortcoming of Russia, presently, is that from our best knowledge—and if people have better insights, they’re welcome to contribute those—that the big flaw, is that the Russians up to the present time, do not understand the systemic nature of this crisis. Because some of the leading economists in the recent period, have stated that it’s good that the Federal Reserve is finally doing something serious by opening

the discount window, and this means the government is now finally taking care, and that by Spring, one can expect that the whole situation will be back under control, and that new rules can be negotiated. But, that's completely off the wall, and means that they have not really understood the problem. But on the other side, I think it's not a problem which cannot be overcome.

Concerning China, I already mentioned that they are *really* in trouble, because of the collapse of the U.S. economy, and because of the collapse of the dollar.

And I can say in a positive sense, that Lyndon LaRouche is accepted and famous in all three countries: In Russia, even though, there are naturally always elements who do not agree with him, but there are important elements of Russian society which know that he was the author of the SDI; that his prediction that if the Andropov government would keep its policy of rejecting the SDI in 1983, that the Soviet Union would collapse in five years. And this, at that time, was a big scandal, and a lot of slanders and attacks occurred against LaRouche in the Russian media. But we have subsequently talked with many Academicians, scientists, people from the military-industrial complex in Russia, and they have grudgingly admitted that LaRouche was right: The Soviet Union did disintegrate; and they have in the meantime, also studied very seriously LaRouche's economics. Therefore, there is a general awareness of his ideas.

The same goes for China. There were many publications in China, picking up on LaRouche's ideas; and for example, last year in November, he gave a speech in Los Angeles, which was sponsored by the organizations which are campaigning for the unification of Taiwan and the mainland, and at that conference, LaRouche presented his Four Power agreement, and said there is no solution possible, if the United States and China do not work together. And that speech was published in all the major Chinese papers, *China Daily*, *People's Daily*, all the economic science papers. So I think there is a possibility existing.

As concerning India, I should say, that we worked, at the end of the 1970s, with Prime Minister Indira Gandhi on a 40-year development program for India, and we continued that work with Rajiv Gandhi, and therefore, Lyndon LaRouche is regarded in the relevant circles in India as a legendary figure, and as the only American they can trust.

Bring Back a Green Revolution

Now, after the failure of the FAO conference, there was an important meeting at the 62nd session of the UN General Assembly, where the Secretary General of the United Nations Ban Ki-moon presented a paper called, CFA: Comprehensive Framework for Action, which was produced by a high-level task force, which was supposed to present some new ideas on how to solve the food problem. And the Indian ambassador to the United Nations, Nirupam Sen, on July 18, made a reply to that. He said: It's unfortunate that there was absolutely no input allowed from the member states. And he then criticized a formulation of this paper that the crisis of starvation is also a chance to change things. He said: "It's very unfortunate to present the desperation of millions of vulnerable people in their struggle to feed themselves, as an opportunity." Which is really an attack on the cynicism of this paper.

He also said that it was absolutely to be remedied that the agricultural productive capacity has been systematically undermined by the so-called "Bretton Woods institutions"—and by that, he means the IMF and the World Bank—and then he blasted the fact that the WTO and the IMF and the World Bank had forced the developing countries to produce, not food crops for their own population, but cash crops for export to pay their debts! And that on the other side, the OECD countries, in the same period, had spent \$385 billion for subsidies.

Now, that is obviously a tricky point, because you need protective policies for everybody, and not just for the so-called "rich countries."

He then demanded a number of other useful things, like stopping the use of food for biofuels, bringing back a Green Revolution to all the countries, by eliminating private control over seeds—because seeds are now controlled 90% by Monsanto, which has manipulated the seeds such that they cannot be re-used the next year—and so forth.

After the G8 meeting, which had, afterwards a meeting with China, Russia, India, and Brazil, which did not produce anything, because they were not really incorporated; afterwards, the Indian Parliament made a motion to have a vote of no-confidence against the prime minister, because they felt that they had sold out to Bush. This failed just barely; but the Indians are freaked out, because they say they are being attacked by hedge funds, by privatization schemes, in the same way as occurred against Russia in the 1990s. And naturally, if you have

70% of the population which is *poor*, and is already not fed enough, and you then have a price increase of 20, 30, 40% for basic foods, you know, you have food riots! And you have total desperation. So therefore, the Indians are really between a rock and a hard place, between the economic crisis and tremendous pressure from the United States, trying to get them away from the strategic partnership with Russia and China. But I think there is a potential openness there, as well.

Finally, a New, Just World Economic Order

Now, I could speak about many things which have to be fixed. We need a global renaissance for nuclear energy, because without that there is no way we can come to energy security; we need a number of other measures. But I want to say one thing: The time has absolutely passed, where side solutions would remedy the problem.

A philosopher whom I appreciate a lot, Nicolaus of Cusa, of the 15th Century, who is the founder of modern science, the founder of the sovereign nation-state, he already, at that time, said, that if you have an existential crisis, you cannot have side solutions, but you have to have a solution on the highest level. And therefore, the time for little steps, in my view, is over, and we need to have a package, in full, on the agenda.

What that means is, we have to have a new world financial system, a New Bretton Woods system; we need a new world economic order, and we suggest the Eurasian Land-Bridge, which we have proposed since 1990-91: to connect the Eurasian continent through infrastructure corridors, to be extended through the Bering Strait all the way down to Chile, and through Sicily to Tunisia, and through Gibraltar into Africa. Because, only if you have a real reconstruction program for the world economy, can you prevent a world catastrophe.

And this has to be accomplished between now, and the end of September. I'm saying this, because you have the Democratic Party Convention at the end of August; then you have the beginning of the UN General Assembly, which starts on the 26th of September; and by that time, we have to have a couple of leaders from different countries, who pose this question of a new, just world economic order on the agenda of the General Assembly.

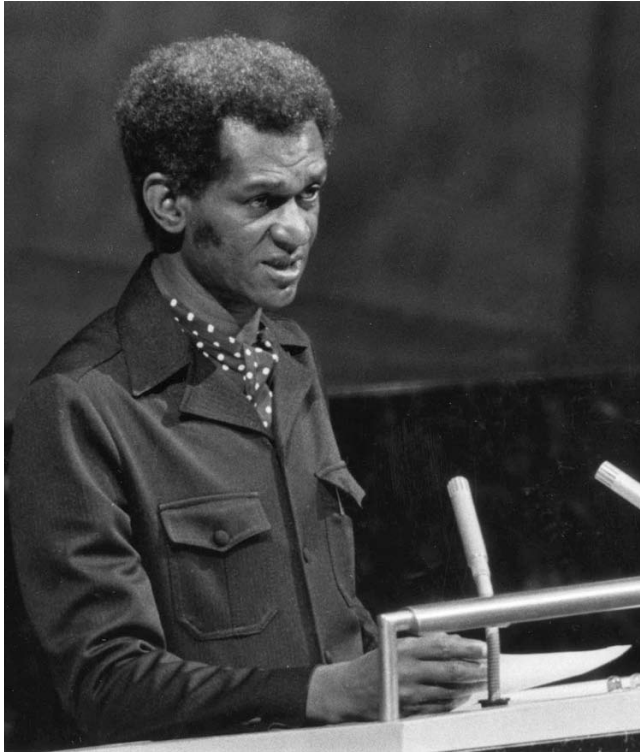
Now, if people think that this is too big, and it cannot be done, I can tell you that we came already once very close to that. Let me give you very quickly a review:

In 1975, Lyndon LaRouche travelled to Iraq to the celebration of the Ba'ath Party, and he talked to many leaders from Africa, and from the Arab world. And he came back, and he made the first comprehensive proposal to replace the already then bankrupt IMF, with a new financial system, which he called at that time, the International Development Bank. This was the proposal to reorganize the debt of the developing countries, to turn debt with high interest and short term, into long-term credit with low interest, and use this reorganized debt with credit lines for well-defined infrastructure projects: like roads, railways, infrastructure, in all the things you can see in terms of infrastructure in Europe, for example, to have that approach for Africa, Latin America, and Asia.

At that time, we, as an organization, as the international LaRouche organization, for one full year, organized for this idea: We talked to every embassy in the world; we talked to many political institutions in the respective countries, and after one year, the meeting of the Non-Aligned Movement in Sri Lanka adopted this proposal, almost word for word, in their final resolution, the so-called Colombo Resolution. And we even talked to many bankers and others in Europe, and they said, "Yes, we made feasibility studies; this would work." Because the proposal had the idea to have, per year, \$400 billion credit, and a technology transfer into the developing countries for capital goods for these infrastructure projects. So these bankers in Europe said, "Yes, it would work—but we don't like it."

So, it was rejected. But the Colombo conference had adopted it. And, at that time, I called the news editor of the DPA, the German News Agency—I said, "Oh, this is wonderful. Three-quarters of mankind has just adopted a new world economic order. When are you going to publish it?" This guy said, "Oh, that's not newsworthy, we'll not publish it at all." So much for the freedom of the press here.

But then, at the UN General Assembly in 1976, Fred Wills, who was the Foreign Minister of Guyana at that time, introduced this into the United Nations. And, at that time, it was absolutely supported by [Indian Prime Minister] Indira Gandhi, by [Sri Lanka Prime Minister] Mrs. [Sirimavo] Bandaranaike, by [Pakistan Prime Minister Zulfikar Ali] Bhutto, by many other Third World leaders. But because there was, at that point, no support from the so-called advanced countries, a real backlash happened. You had the assassination of Bhutto;



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LaRouche's proposal for an International Development Bank was taken to the UN General Assembly by the Foreign Minister of Guyana, Fred Wills (shown here addressing the body) on Sept. 8, 1976.

you had the destabilization of Mrs. Gandhi—unfortunately, she had made some domestic mistakes which made it relatively easy to get rid of her for the time being; you had the destabilization of Mrs. Bandaranaike, and some other leaders, so the whole effort did not succeed.

But, then in 1982, José López Portillo, who was the President of Mexico, called LaRouche to come to Mexico City, and he asked him to write a program to defend the Mexican peso, which was at that point attacked with capital flight. So, LaRouche wrote a program which was called “Operation Juárez,” which was essentially the idea for Latin American integration and infrastructure development program, and López Portillo started to implement that program on Sept. 1, 1982, which caused shivers in Wall Street, because they thought that the Third World had formed a debt cartel, and that would be the end of the banks on Wall Street. López Portillo, then, at the next [UN] General Assembly meeting, in September 1982, introduced, in a beautiful speech, this same idea. And López Portillo is now

talked about a lot in Mexico again, because people now demand his policies.

The Last Chance for Civilization

So therefore, the situation today, 32 years after this Colombo Resolution—and many lives and the happiness of many people have been lost, because of the failure to introduce it at the time: But now, 32 years later, I think that this is the absolute last chance for civilization to prevent a collapse into chaos. And I think that, therefore, we have, in Europe, to do our best to break the Maastricht control: We have to cancel all treaties from Maastricht to Nice. And we have to prevent by all means, the Lisbon Treaty, because it would really turn Europe into a dictatorship, and it would completely disable Europe to do anything meaningful in respect to this crisis which I just painted.

And I can only say, I think it can work, what we have worked out. I think the danger is absolutely enormous, we are living in extremely dangerous times. The danger that this whole thing disintegrates into worldwide chaos, with governments being wiped away, like the government of Haiti, which has already been wiped away, because the people who were starving, said: “We don’t fear the bullets of the police, because we are starving anyway, so what does it matter?” And that is, I think, a glimpse of the future, if we don’t remedy the situation.

We will do this anyway—and hope that some of the people in this room will help to do it—that we mobilize as never before, to get the new world economic order on the agenda of the United Nations in September. And that if we mobilize in many countries, and all with the idea that we need a just, new world economic order, and that the present system has failed, I think that there is something in human nature, which gives me hope that it can be done: Because I agree with Leibniz, that a great danger always provokes a greater good. And you know, given that another prediction of Leibniz, who at the end of the 17th Century, said that if it would ever come to the point that the whole world would be dominated by utilitarianism, it would come to a world revolution. And I think if you look at the present international financial institutions, which are all based on utilitarian principles, I think the words of Leibniz could actually be really true. But we don’t want a Jacobin revolution, we want the principle of the American Revolution, and the sovereignty of all countries to be the guidance of this matter.