

# Step Seven: A Global Fixed-Exchange Rate and Great Development Projects

by Jeffrey Steinberg

Oct. 22—Before his untimely death in April 1945, President Franklin Delano Roosevelt was moving to secure a postwar world, free from the tyranny of European colonial empires, and dedicated to the rapid development of the entire planet, through cooperation among perfectly sovereign nation-states. British Prime Minister Winston Churchill, on many occasions during the war, went apoplectic over FDR's oft-stated commitment to end colonialism as the price that Britain would pay for American intervention to defeat Hitler.

With Roosevelt's death, that vision died as well. Elements of the President's grand design had been put in place already. Contrary to all fraudulent accounts, the Bretton Woods system of fixed-exchange rates among the world's currencies was an FDR policy, rammed through over the hysterical objections of Great Britain's representative at the conference, Lord Maynard Keynes.

The United Nations Charter was another Roosevelt accomplishment. The fact that he insisted that both the Soviet Union and China be included among the five permanent members of the Security Council reflected his commitment to incorporate the Asian-Pacific region in the postwar order—as allies against any efforts by Britain, France, and others to revive European imperialism and colonialism, which had already brought on two world wars in the first half of the 20th Century.

Had FDR lived, it is likely that his vision for the postwar world would have trumped British efforts to create the Cold War divide, and revive their imperial system of permanent wars, looting, and genocide.

These initial steps—the Bretton Woods system and the UN Charter—were but pieces of FDR's grand vision of postwar recovery, independence and prosperity, for all of mankind. With his death, that larger vision was all-but destroyed, until a still-pending future date when a full revival of the American System is achieved.

We are now at a point where humanity faces certain

doom—unless that FDR American System vision can be fully realized with the final destruction of the British imperialism and colonialism that FDR so detested.

Lyndon LaRouche has championed the completion of FDR's mission for mankind, based on the same love of humanity—and hatred for the oligarchical system that would, at this time, wipe out 80-90% of mankind, if given the opportunity.

The seventh point of LaRouche's emergency recovery plan<sup>1</sup> focuses on precisely this unfinished American System global agenda: cooperation among the United States, Canada, Mexico, Russia, China, and other nations to rebuild the planet around a series of interconnected great development projects, including the North American Water and Power Alliance (NAWAPA); the Bering Strait Tunnel, establishing a high-speed rail link connecting all of Eurasia, the Western Hemisphere, and Africa; NAWAPA-type water-management projects for Africa and other regions of the world, to secure abundant food for all mankind.

These and other such projects, including international cooperation on an extraterrestrial imperative of space exploration and other science-driver programs such as fusion power, will require an immediate Glass-Steagall-based overhaul of the bankrupt global financial system, and its replacement with a fixed-exchange rate-credit system.

## Then...

In 1946, Elliott Roosevelt published *As He Saw It*, a wartime account of his father, FDR's vision for a postwar world. He wrote the book based on his experiences as one of the President's military aides, accompanying FDR to most of the wartime Allied conferences. As his

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1. The first six of LaRouche's Seven Necessary Steps appeared in *EIR*, beginning Sept. 9, through Oct. 21, 2011.



FDR Library

*Had FDR lived, it is likely that his vision for the postwar world would have trumped British efforts to create the Cold War divide, and revive their imperial system of permanent wars, looting, and genocide. Here, President Roosevelt visits Liberia in 1943, during the war. With him is President Edwin Barclay (at the wheel).*

son, Elliott was in the privileged position of sharing private conversations with his father, in addition to his participation in many of the formal sessions with Churchill. *As He Saw It* was both an inspiring affirmation of FDR's commitment to a postwar world free from the evils of colonialism and imperialism, and a dire warning that Roosevelt's vision had been abandoned and overturned by his successor, Harry S. Truman, in the span of just one year.

Even prior to the formal U.S. entry into World War II following the Japanese attack on Pearl Harbor, FDR had made clear to Churchill that the United States would not expend its treasure and blood to restore pre-war colonial spheres of control.

On Aug. 10, 1941, during a four-day meeting between FDR and Churchill in Newfoundland, Canada, to draft the Atlantic Charter, the U.S. President spelled out, in unambiguous terms, his postwar vision. It made Churchill's blood boil.

As Elliott Roosevelt recounted it, FDR told Churchill, "I am firmly of the belief that if we are to arrive at a stable peace, it must involve the development of backward countries. Backward peoples. How can this be done? It can't be done, obviously, by eighteenth century methods. Now..."

At which point Churchill interrupted—"Who's talk-

ing eighteenth century methods?"

FDR resumed: "Whichever of your ministers recommend a policy which takes wealth in raw materials out of a colonial country, but which returns nothing to the people of that country in consideration. Twentieth century methods involve bringing industry to these colonies. Twentieth century methods include increasing the wealth of a people by increasing their standard of living, by educating them, by bringing them sanitation, by making sure they get a return for the raw wealth of their community."

Churchill tried to change the subject, but FDR was relentless in driving the point home. He continued, "I can't believe that we can fight a war against fascist slavery and at the same time not work to free people all over the world from a backward colonial policy. The peace cannot include any continued despotism. The structure of the peace demands and will get equality of peoples."

Six months before this first of many confrontations with Churchill, FDR had delivered his famous Four Freedoms speech—his Jan. 6, 1941 State of the Union address to Congress, in which he stated in clear terms what a postwar world would look like.

"In the future days, which we seek to make secure, we look forward to a world founded upon four essential human freedoms. The first is freedom of speech and expression—everywhere in the world. The second is freedom of every person to worship God in his own way—everywhere in the world. The third is freedom from want—which, translated into world terms, means economic understandings which will secure to every nation a healthy peacetime life for its inhabitants—everywhere in the world. The fourth is freedom from fear—which, translated into world terms, means a world-wide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of physical aggression against any neighbor—anywhere in the world. That is no vision of a distant millennium. It is a definite basis for a kind of world attainable in our own time and generation. That kind of world is the very antithesis of the so-called new order of tyranny which the dictators seek to create with the crash of a bomb."

With Franklin Roosevelt's untimely death on April 15, 1945, his grand vision for the postwar world was

profoundly undermined. His successor, Vice President Truman, quickly became a pawn of Churchill and the British, in their scheme to extend the war by pitting the United States against the Soviet Union. What evolved as a 50-year Cold War was actually Britain's fallback option. Lord Bertrand Russell, in his infamous *Bulletin of Atomic Scientists* article of 1946, had called for a preemptive American nuclear attack on the Soviet Union, as a crucial step toward world government—i.e., a new world empire.

Presidents Eisenhower and Kennedy both attempted to revive the FDR mission for mankind, and end the Cold War conflict, but their efforts fell short, and JFK was assassinated when he moved to halt the American involvement in the Indochina War.

### **LaRouche Revives the FDR American System Vision**

In the mid-1970s, Lyndon LaRouche launched a bold effort to fully revive the global vision, last best expressed by Franklin Roosevelt. In 1975, following the Nixon Administration's collusion with Britain to end the Bretton Woods fixed-exchange-rate system, LaRouche called for an international debt moratorium, and the establishment of an International Development Bank, to replace the bankrupt International Monetary Fund system.

LaRouche's proposal was introduced before both the UN General Assembly and the Non-Aligned Movement (NAM) summit in Colombo, Sri Lanka the following year, and was embraced by the NAM.

LaRouche had issued a draft Middle East Peace and Development Act, also in 1975, calling for the creation of an Arab Development Bank, to use Persian Gulf oil revenues to finance regional development, utilizing the scientific and technological resources of Israel, and the large skilled and semi-skilled labor force of Egypt, to develop the region's infrastructure, with heavy emphasis on water. LaRouche had argued that, after nearly a century of European colonialism under the Sykes-Picot



*In 1975, following Nixon's junking of the Bretton Woods system, LaRouche called for an international debt moratorium, and the establishment of an International Development Bank. At a Schiller Institute conference in January 1988, LaRouche called for a New Bretton Woods. He is shown here speaking at that conference, with Helga Zepp-LaRouche (left), and former Guyanese Foreign Minister Fred Wills.*

agreement and other schemes, the Arab and Israeli populations had been so divided by manipulated hatred that only a cooperative development plan would lay the true foundations for regional peace.

When both Arab and Israeli diplomats expressed strong interest in the LaRouche proposal, then-Secretary of State Henry Kissinger personally moved to shut down the proposed dialogue, threatening "food war" against any country that participated in any such regional development plan. The City of London and Wall Street continued to maintain their vise-grip control over the oil revenues of the Persian Gulf region, and manipulated a succession of wars in Southwest Asia that continue to this day.

### **Strategic Defense Initiative**

In 1977, LaRouche introduced another strategic flank in the effort to revive the American System vision of global peace through development. He proposed collaboration between the United States and the Soviet Union on the development of new physical principle defenses against the threat of thermonuclear weapons. The proposal for scientific and technological cooperation between the world's two superpowers echoed President Eisenhower's earlier "Atoms for Peace" plan, but went far beyond it, to advance a vision of cooperation among the leading nations of the world, centered on a science-driver program for revolutionary advances in mankind's mastery over the universe.

LaRouche's proposal was embraced by President Ronald Reagan in his March 23, 1983 televised address to the nation, in which he announced his Strategic Defense Initiative. Unbeknownst to most people, even inside the Reagan Administration, LaRouche had conducted two years of back-channel exploratory discussions with Soviet officials, at the behest of the Reagan National Security Council.

Unfortunately, even as President Reagan had come to embrace the LaRouche plan, a British agent—Yuri Andropov—had become Premier of the Soviet Union. Andropov rejected the Reagan offer, as did his successor, Mikhail Gorbachov. As LaRouche warned in 1983 that it would, the rejection of the Reagan SDI offer vastly accelerated the collapse of the Soviet Union and the Warsaw Pact. By 1991, within two years of the fall of the Berlin Wall (an event that LaRouche had forecast in a 1988 press conference in West Berlin), the Iron Curtain had collapsed altogether.

At that moment, LaRouche and his wife, Helga Zepp-LaRouche, founder and president of the Schiller Institute, launched a campaign, along with colleagues, to seize the moment of opportunity and rebuild the East-West economic links. The LaRouches first proposed a "Productive Triangle," linking Paris, Berlin, and Vienna, via an integrated system of high-speed rail, canals, and roads, to focus on rebuilding the shattered economies of the former Warsaw Pact nations, by utilizing the industrial resources of the still-advanced European industrial heartland.

In a short period of time, the LaRouche proposal was extended into the Eurasian Land-Bridge, a plan for the integration of the entire Eurasian landmass, via high-speed rail and development corridors, stretching from China, Japan, and the Koreas in the Far East, to the Atlantic Ocean ports of Western Europe.

The Eurasian Land-Bridge idea included links, through Southwest Asia, into Africa, where a series of high-speed rail, nuclear power, and water management projects would, at last, fulfill FDR's vision of an African continent developing and prospering.

### **And now...**

We have now reached a moment, at which the cumulative impact of London's imperial revival, following the death of FDR and the assassination of JFK, has brought the entire planet to the brink of total collapse into the kind of genocidal New Dark Age promoted by the likes of the British Royal Consort, Prince Philip.

Unless the LaRouche seven-point recovery plan is implemented, in its entirety, there is an immediate danger of a global holocaust, brought on by the disintegration of the trans-Atlantic financial and monetary system. Such a collapse of the trans-Atlantic region would soon devastate China and other Asia-Pacific nations, despite the fact that they are in relatively stronger condition.

LaRouche's seventh point would address this immediate, existential crisis of mankind, by launching the kind of coordinated development plans that have been presented, time and time again, over the past 35 years, beginning with LaRouche's original International Development Bank proposal of 1975.

Once the U.S. Congress, free from the Obama Presidency, passes the reinstatement of FDR's original Glass-Steagall Act, separating commercial banks from brokerage and insurance and hedge-fund operations, the American people will be freed from tens of trillions of dollars in Wall Street and City of London gambling debts. The United States will have a restored commercial banking sector—but vastly undercapitalized. At that point, Congress will approve the issuance of trillions of dollars in credits, disbursed through the commercial banking system under a Hamiltonian Third National Bank of the United States, for earmarked development projects.

One immediate priority would be the launching of the NAWAPA project, which would involve a treaty agreement with Mexico and Canada, for the joint development and expansion of North American water resources. NAWAPA alone would create nearly 10 million productive jobs in the United States, and millions of productive jobs in Canada and Mexico. Within a short time, the western region of North America would become an agro-industrial breadbasket.

Under Prime Minister Vladimir Putin, expected to be reelected as Russian President next year, an idea first proposed in 1905, to build a tunnel underneath the Bering Strait, has been revived. The estimated \$65 billion development project would establish high-speed rail, oil and gas, and fiber optic links between the Russian Far East and Alaska. An estimated 3,000 miles of new high-speed rail would begin the process of fully integrating Eurasia with the Western Hemisphere. Russia has already initiated plans to integrate the Trans-Siberian Railroad with the Trans-Korean Railroad, extending the transport and development corridors to both China and the Korean peninsula.

All of these great projects would require treaty

agreements among participating nations, and would require that the Glass-Steagall reforms, passed through the U.S. Congress and signed into law, would be the model for similar reforms around the globe. A worldwide system of treaty agreements, among sovereign nation-states, each having established an American System-modeled credit system and national banking, would herald a period of global peace and prosperity, never before seen.

Special priority would be given, in the spirit of FDR, to those areas most victimized by European colonial looting and genocide, starting with Africa. The Transaqua project, modeled on NAWAPA, would transform Africa into a breadbasket for the world, providing the water-resource requirements of central Africa. A treaty among the Nile River nations would further harness the Horn of Africa, now torn by British-manipulated conflicts and genocidal starvation, into an area of the greatest agricultural productivity on the planet.

Nuclear power—fission and fusion—would transform the world's energy grid. Areas of Africa, the Indian Subcontinent, and Ibero-America, now suffering from energy and water shortages and mismanagement, would

be brought into the modern era through the construction of small-size nuclear power plants, which would greatly boost agricultural productivity, even as modern agricultural techniques and technologies were being gradually integrated, through education and training of the local populations.

With mankind on the road to prosperity and maturity, leading nations of the planet would also set their sights on the broader universe, through a vastly accelerated program of manned space exploration.

Under a global credit system, based on the original American System of Benjamin Franklin, Alexander Hamilton, Mathew and Henry Carey, and Friedrich List, the world can enter into an era of peace and prosperity. There is no reason that the wartime vision of Franklin Roosevelt should not be fully realized. This time around, there is no middle ground, no alternative pathway for mankind's survival.

Even before the next generation of scientific discoveries have been realized, mankind will have to decide: survival or destruction. LaRouche's Seven Point Plan or British-led genocide.

The moment of choice has arrived at our doorsteps.

# Seven Necessary Steps for Global Economic Recovery

A 40-minute feature video presenting Lyndon LaRouche's Emergency Program to End the Global Depression

<http://larouchepac.com/node/19282>



**1. FORCED RESIGNATION OF BARACK OBAMA & IMMEDIATE PASSAGE OF GLASS-STEAGALL**



**3. FOR LACK OF REAL ASSETS REMAINING, ISSUE HAMILTONIAN CREDIT FOR NATIONAL PROJECTS**



**5. IMMEDIATE NATIONAL MOBILIZATION FOR THE CONSTRUCTION OF THE NAWAPA PROJECT**



**6. ENGAGE LATENT LABOR FORCE FOR SUBSIDIARY PROJECTS SUCH AS TRANSPORT AND NUCLEAR**



**2. DIVISION OF FICTITIOUS FROM REAL LIABILITIES ACCORDING TO GLASS-STEAGALL STANDARD**



**4. THE ONLY BAILOUTS WILL BE HONEST BAILOUTS FOR THE BANKRUPT CITIES AND THE STATES**



**7. EXTEND COOPERATION INTERNATIONALLY TO MEXICO, CANADA, RUSSIA, CHINA AND OTHERS**