

## I. Economics

# What Is Unleashing Hyperinflation? Helga LaRouche Indicts Green New Deal

*This is an edited excerpt of Schiller Institute President Helga Zepp-LaRouche's weekly webcast on Oct. 6. The moderator was Harley Schlanger.*

**Harley Schlanger:** One of the points we've been focusing on is the fraud of the Green New Deal, and the effort of the Green New Deal which is actually creating the energy inflation. And Helga, I think it would be very useful for you to bring some clarity to this.

**Helga Zepp-LaRouche:** Yes, obviously the energy prices, especially natural gas, but also oil and energy in general, are just skyrocketing and this is causing big concerns, because energy prices tend to filter into every production of consumer goods, of capital goods, just because to produce anything you need energy. So we are right now, very clearly, objectively, on the way to hyperinflation, very much like what happened in Germany in 1923. But there is one major difference and that is that there is an objective inflation, and hyperinflation, that is the result of many years of pumping of money, of quantitative easing, of pumping trillions of dollars and euros into the system, and naturally this is now showing its effects.

But there is also an ideological side to it. I think if you look at the way, how the different forces in the world are discussing that, it becomes more clear. Now, *The Economist*, which is sort of a mouthpiece for the financial oligarchy, the City of London, they have a story this week, saying "The age of abundance is over" [see below], now we all have to get used to energy scarcity and roaring prices. But then you look at, for example, what the former Foreign Minister of Austria, Karin Kneissl, says. She says this present energy crisis is the result of a whole series of bad policy decisions, and obviously one of them was the absolutely hasty and unreflected exit in Germany from nuclear energy. But also the whole hysteria to now move out of fossil fuels. And Putin basically said,

this present hysteria around the energy price explosion is the result of massive speculation.

And I think that points to the other thing, that you have now all kinds of investment banks, hedge funds, private equity funds that all are speculating in the wildest possible way on energy prices. And this is driving the prices up to levels which will mean that this will be an enormous expropriation of a lot of people, who are already having a hard time paying their energy prices as



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*Not bad enough for the green oligarchs: Milton Friedman popularized the dogma of "shareholder value" over all else.*

it is, and who will be bankrupted—including countries; many ministers and prime ministers are talking about a hard winter to come.

So there is this objective side of it. But then, I think that there is a whole ideological side, and this is in a certain sense "fitting" the scarcity, which would not exist. Because it is a political decision to [reverse] this policy immediately, and Russia and China and other countries are investing massively in nuclear energy. So it would be quite easily possible to reverse this, but there is an ideological side to it, namely that it fits the idea of creating scarcity. I mean, the Greens at one point, or many times, have actually said, you have to change the behavior of the population to not use so

much fossil fuels, soon not at all, but to not use so much energy, don't eat so much meat, have smaller apartments that don't need so much heat. And the way to "nudge" them—"nudging" was this book by Cass Sunstein—that you can change the behavior of a population by manipulating them and if things get too expensive, they just stop buying them.

### Green Profits, Green Death

This is an ideological idea, to reduce the population back to the level from before the industrialization, and it cannot work. It would lead to mass death in the developing sector, which is already a threat happening in many countries. And it will lead to social explosions in the so-called formerly industrialized countries.

So this is absolutely not workable, but it points to the fact that the oligarchy, the financial oligarchy, who know that their system is absolutely finished, they are trying now to hyperinflate the debt away—because the debt disappears if you have hyperinflation—and at the same time, make a super speculative profit. And then either the system crashes because if the central banks start to increase the interest rate, in order to fight against the inflation, you could have an immediate crash, because of the very big indebtedness of many firms and entities; or you have a hyperinflation blowout as it happened in Germany in November 1923.

But the oligarchy, they intend to make a lot of profit in the last phase of this, and let the people be where they may be.

So we are in a very, very dangerous situation, and I think a lot of people realize that....

The comments of Klaus Schwab [Chairman of the World Economic Forum—ed.] are incredible. He wrote a new book called Stakeholder Capitalism [*Stakeholder Capitalism: A Global Economy that Works for Progress, People and Planet*, see below]. And the idea is, there's a big discussion among financial layers that the "shareholder value" society was a big mistake, and that all of a sudden some time in 2019, one discovered "shareholder value" society does not function.

This is absurd! My late husband, Lyndon LaRouche, has blasted the paradigm shift which went along with

"shareholder value" society for many decades, and that is known by anybody who knows anything about economic theory and analysis.

Because what Lyndon LaRouche said was that in the post-War period, you had one paradigm which was characterized on the one side by the Bretton Woods system, which even though it was not what Roosevelt had intended—because when Churchill and Truman carried out the Bretton Woods policy they left out the most important aspect, namely, to increase the living standard of the developing countries' populations—but the Bretton Woods system, as it was created, did create a period of relative stability and even growth in the so-called advanced sector.

And at that time, you had a morality which was characteristic, for example, in Germany for the Mittelstand; which was the idea that the increase of science and technology in the firm, in the investment, is increasing productivity—and this enables better living standards, longer longevity—and that the family-owned firms would only take as much profit out of the firm as was necessary to pay salaries, for the family. But otherwise to reinvest profit into the firm for capital investment, for technological improvement, and that way keep the engine of economic growth and productivity moving.

Now, when the shift occurred, to what Nixon did with the 1971 decision to leave the Bretton Woods system, and go for flexible exchange rates—which my husband recognized as being the absolute watershed, and he warned that it would lead to a new fascism down the road—that went along with a step-by-step elimination of the Glass-Steagall banking separation, and more and more outsourcing to cheap labor production, just-in-time production arriving at the factory. And no more large reserves of any semi-finished product; "just in time," everything would arrive. And "money makes money"—shareholder value society, where the shareholder profit would be the holy cow, the holy calf around which everybody would dance.

And naturally, this led to the incredible increase in the gap between the very rich—and eventually the disappearance of the Mittelstand. Or, the Mittelstand became more taken over by managers, not by people



*The World Economic Forum prefers the view of this economist, the Nazi Economics Minister and central bank chief, Hjalmar Schacht.*

who were concerned with the long-term sustainability of the firm with the policies I just described earlier, but to go for “money makes money.” Go to the stock exchange, go to shareholder value.

### **Industrial Revolution Has Not Ended!**

That is now over. And Klaus Schwab, who is obviously one of the key forces in the Davos World Economic Forum, says as much in his new book. He says the “shareholder value society” and the neoliberal system were a mistake—as if that were a new discovery—and what is needed now is a “stakeholder society,” which is a very confused definition, because it’s supposed to take care of everything. And they’re now working high speed on a new metric which is supposed to be ready by the beginning of next year, which then will be used as was the taxonomy before, to create an absolute structure for firms, what they can invest in and what not.

What Schwab writes as the reason behind that: He says that the very force, which is the driving force for a better living standard and a longer lifespan, is what destroys the planet, through climate change, for future generations, and that has to go.

So, this is incredible! They’re basically saying that the human capability, through creative discovery of new physical principles, of new scientific conceptions which means, through scientific and technological progress, to increase the productivity of the production process—that that is the problem. And that is what this Greta [Thunberg] is blathering about all the time when she says the problem is the British, because they started the industrial revolution.

And people are just so stupid when they believe that! Because what did the industrial revolution do? It freed man from having to live a life with muscle power only, miserable winters, dark, cold. The industrial revolution made life agreeable and set creative energies free so that people could develop their creative powers and have a much better human life, increase the population-density, increase the population potential of the Earth.

And this is not ended!

It is such a fraud: The Club of Rome started with this. We are sort of the experts on this, because we had the idea to develop Africa in the 1960s. We had plans to overcome the underdevelopment of the developing sector which were in line with the Encyclical of Pope Paul VI, *Populorum Progressio*, which he wrote in 1967, which was the idea of the development of all people. And this encyclical already said, then, that the injustice is crying to Heaven for redress and it must be

overcome. This was a period when the UN had the Development Decades, the idea that every decade we would define a new development aim to overcome poverty and underdevelopment in the developing countries. That was the debate at the end of the ’60s, and we were in the middle of that because of the ideas of Lyndon LaRouche.

And that is why, when the Club of Rome published this absolutely horrible, fraudulent *Limits to Growth* book by the two MIT professors, Dennis Meadows and Jay Forrester, we immediately said, “This is a fraud!” Because when they say that resources are limited—they have totally eliminated the role of technological progress defining what a resource *is*. You know, what we use as resources has changed dramatically over the centuries, and there is no limit to what resources will become in the future, because they are the product of the technological levels with which you work. Like when you have isotope separation, we can make our own raw materials, in the future of thermonuclear fusion technology.

We said immediately, “This is a fraud.” Lyndon LaRouche wrote a beautiful book, *There Are No Limits to Growth*, as a counter to that. And as it turned out later, the book by Meadows and Forrester *was* a fraud, because it was based on a computer model, in which they defined what the result should be in the beginning, and wrote the program such that the desired result would show up.

### **‘Green Fascism’**

So it was a fraud, but it started the transformation of the student SDS [Students for a Democratic Society — ed.], and the “’68er” rebellion—it transformed that into the “ecology” movement. And in the meantime, naturally, its origins have been forgotten by most people who were born later than the whole affair. But it was a social engineering of an entire, new movement, the Green movement.

And naturally, this is only rampant in the so-called West. It does not exist in China, it does not exist in Russia; many developing countries absolutely reject it because they know to fall for it would mean no development for them.

So now, they’re taking out the ideological two-by-four, and saying “the age of abundance is over.” And Alexander King, who was one of the co-founders of the Club of Rome, said it in 1972. He said: “The biggest enemy of mankind is mankind itself”—having exactly the same idea as Schwab in his new book.

This is fascism: And I think we should be absolutely clear, because this is Schachtian economics [Hjalmar



Schacht, Hitler’s Economics Minister 1933-38 —ed.]. It is a form of cannibalistic economics, about which these people could not care less, because the super-rich—these billionaires and multimillionaires—well, why are the real estate prices out of control? Because they’re using their speculative money, they invested in real estate, they invested in other so-called physical goods; and then you can have a hyperinflationary blow-out which wipes out the debt. And then after this, when they come up with their new system, they will control everything, and a lot of people will not have made it.

So this is the most brutal assault on the living standard, on freedom, on democracy, on all these beautiful values they talk about. It’s all a fraud. And the problem is that not enough people are speaking out against it, because this is really serious stuff. This is fascism, not any less than it was with the Nazis in Germany and other fascist movements in the ’20s and ’30s in Europe. So people have to wake up, because this is serious stuff which is threatening the lives of many people.

## Green Fascists Speak: ‘The Planet’ Requires You To Live in Poverty

Oct. 8—The oligarchs of “green finance” and the “Great Reset” are centered in London—with Prince Charles at their head—and Wall Street. They have taken to declaring in so many words, that the human aspiration for economic progress is now *verboten*, because it is inconsistent with the demands of “the planet” that the human species end its carbon emissions.

World Economic Forum Executive Chairman and founder, Klaus Schwab, a bosom friend of Prince Charles and a non-stop writer of books about the “Great Reset” and Green New Deal, makes that monstrous declaration in his latest book.

Speaking, as it happens, about Ethiopia’s infrastructure and development activity, Schwab wrote that:—

[it] reveals the central conundrum of the combat against climate change. The same force that helps people escape from poverty and lead a decent life is the one that is destroying the livability

of our planet for future generations. The emissions that lead to climate change are not just the result of a selfish generation of industrialists or Western baby boomers. They are the consequence of the desire to create a better future for oneself.

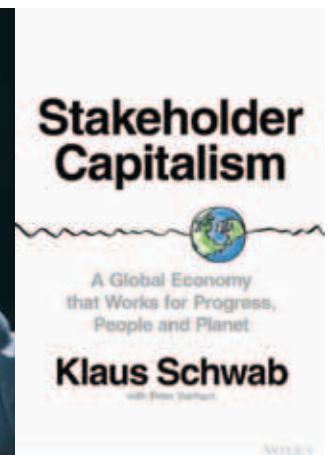
—“*Stakeholder Capitalism—A Global Economy That Works for Progress, People and the Planet.*” Wiley, January 2021, page 154.

*The Economist*, the magazine which speaks for the City of London financial powers, declared in an Oct. 4 [article](#) titled, “The age of fossil-fuel abundance is dead,” —that “Dwindling investment in oil, gas and coal means high prices are here to stay.” Moreover, the magazine’s editors go on to say that this energy scarcity will “get even worse,” because energy investments are harder and harder to make “in an era of decarbonization.” This will bring about “inflationary upheaval ... but it may at least accelerate the shift to greener—and cheaper—sources of energy.”

They did not acknowledge that this era of decarbonization is entirely a political decision by the financial powers and billionaires, and that energy investments are harder to make for this reason, not any physical economic factor.

The editors bared London’s teeth more viciously in conclusion:

The longer prices stay high, the more likely it becomes that the transition to clean energy ultimately buries the fossil-fuel industry. *Consumers, in the meantime, must brace for more shortages. The age of abundance is dead.* [emphasis added —ed.]



Klaus Schwab, Founder and Executive Chairman, World Economic Forum. WEF/Benedikt von Loebell