

## Panel 2: First Discussion Session

*This is an edited transcription of the first discussion session following the first part of Panel 2, “The Science of Physical Economy,” of the Schiller Institute’s Nov. 13-14 Conference, “All Moral Resources of Humanity Have To Be Called Up: Mankind Must Be the Immortal Species!” Participating in the discussion were Claudio Celani, co-director of the EIR Strategic Alert Weekly Newsletter; Helga Zepp-LaRouche, founder of the international Schiller Institutes; Paul Gallagher, Co-Editor of EIR; Dr. Shah Mohammad Mehrabi, Member of the Board of Governors of the Da Afghanistan Bank (the Central Bank of Afghanistan) and Chairman of its Audit Committee; and Iliad Alexander Terra, Founder and President of the Council on Global Relations.*

**Claudio Celani (moderator):** To begin our discussion, I would like to first ask you, Helga, if you have some remarks on the presentations we have had so far, and if you want to say something.

**Helga Zepp-LaRouche:** I want to first of all thank all the speakers, and I agree with Pino Arlacchi that obviously in one sense the development of Afghanistan should be in the hands of its regional countries and neighbors. And Mrs. Amna Malik said it and also Dr. Shah Mehrabi. The competence is clearly with the regional people who understand the culture, unlike the people who conducted the war who often had no idea who they were fighting. So, in one sense it’s true; it should be primarily a question of the regional countries.

But I also think that there’s a moral obligation by those countries who conducted the war and left Afghanistan in this horrendous situation after 20 years, that they absolutely have to contribute in whatever form is appropriate and required. I would like very much if you would tell us what plan for action you want the world to engage in. What should the Schiller Institute do? We should discuss this very concretely, because it’s an emergency situation.

**Iliad Terra:** Let me respond to Helga’s question. From my perspective, I think excellent points were brought by all the speakers. I also was likewise very touched with Pino’s comments; especially his passion toward calling it a crime against humanity for some of the decisions that are being made. I do believe at the

center of this conversation are the Afghan people, and that concerning the current crisis, the oncoming brutal winter that they’re facing, is the responsibility of the international community and the Afghan diaspora, the Afghan people, to come together on this matter. My organization has boots on the ground in Afghanistan. We have a significant presence there, and we are looking forward to collaborating with the Schiller Institute and other colleagues. From our perspective, engagement is a path forward.

I would like to add one comment to Dr. Mehrabi’s comment in terms of the *contributing* causes to the economic collapse. That was well thought out in terms of the drought and its impact on agriculture, etc. But there was another contributing element that impacted, and that was corruption, pervasive corruption, that was both domestic and international. We’ve heard all the stories.

It’s positive, this remark, in terms of what’s happening in the central bank right now, the transparency. We need more of that. Both the Afghan community, Afghan leaders, the diaspora members, and the international community must collaborate, and absolutely release, unfreeze the Afghan people’s assets, help build on the progress that has been achieved, and eliminate the negatives of the past 20 years. So, a very good panel here.

**Celani:** Dr. Mehrabi, do you want to answer Mr. Terra? I also have a question for you which came through Zoom from a viewer: “Why doesn’t the UN demand that the World Bank release the funds that are illegally being withheld from Afghanistan since it has the relevant means to do so?”

**Dr. Shah Mehrabi:** I’m not in favor of having another institution, even the UN, replace the current structure. There’s a central bank, and it can be trusted, and under the current regime, let’s see if it can perform its functions.

There are two things that I’m opposed to. One, is the suggestion that a commercial bank be allowed to engage in auctioning and transferring of funds. I totally oppose creating a new structure within the existing structure.

Second, I think the United Nations is not equipped. They have done a fairly good job overall,



*Participants in the first discussion session of Panel 2, “The Science of Physical Economy” of the Schiller Institute’s Nov. 13-14 conference, “All Moral Resources of Humanity Have To Be Called Up: Mankind Must Be the Immortal Species!” Left to right, top row: Claudio Celani (moderator), Paul Gallagher, Dr. Shah Mohammad Mehrabi. Bottom row: Helga Zepp-LaRouche, Iliad Alexander Terra.*

I assume, in terms of trying to get the international community to take some important steps, and I think that is commendable: \$2 billion in donor pledges in September. They can handle the humanitarian crisis. The United Nations can help Afghans in the area of bringing some relief.

I would argue that constructive engagement in the area of coming up with a mechanism to address the sanctions is a way forward to some understanding. And then, allow the regime to have a breathing room to engagement, to be able to come up with some of what has been argued as leverage, if you want to use that as leverage. I don’t know if the United States had leverage when they were there for 20 years. There was corruption.

The point my colleague raised was a very valid one. There were conferences—elaborate conferences in London, Germany, Geneva, Japan—that I attended. I was a senior economic advisor to two Ministers of Finance. Donors would dash out money, and they would ask for transparency, and the corrupt—that is, the United States as well as the Europeans—did not go ahead and enforce the benchmarks that should have been attained, without siphoning a major part of the money that was allocated for purposes of bringing transparency to the building of institutional structures. That did not happen. Whether the United

States would still have leverage on the Taliban, is an open question.

The important thing here is not to neglect impacts on the ordinary Afghans. So, sanctions are a very important part of this particular equation. What Helga was mentioning, as to what needs to be done is one area that needs to be focussed on at the international level, as well as at the U.S. level. Whatever it takes to put pressure on that. The Europeans I think are starting an office or mission in Kabul which I think is a positive move. The United States has decided not to open any offices in Kabul, but they have opened one in Doha. I had a talk with the embassy people there as well.

Again, this cross-building mechanism will have to be done through the institutions releasing the reserves, and I think the Europeans should start. Somebody will have to put pressure on the banks that have Afghan reserves, to release those particular funds on an *incremental and monitored* basis. That is in Germany, specifically, but also in Europe [generally].

Then, as I also said, humanitarian assistance will have to be done through the structures that existed before, which are still there—the ARTF. Give the funding and test them. Let’s try to test and see what results could be attained. So far, the data shows that the amount of expenditure that has been collected, even

with the border closure, has been fairly good. Exports are increasing; it's not bringing adequate funds that will get the economy to be able to survive for a very long period of time, but some measures have been taken that seem to be positive steps.

**Celani:** I want to inform you that we [the Schiller Institute] are already putting pressure on European banks, starting with Commerzbank. We called them up. We want also to make a day of action. But if you have a list of all those banks, please send them to us, and we will take care.

I have now a question from Bobby for Paul Gallagher: "I'm watching more and more people seeking protection from inflation by investing in the speculation of crypto-currencies. They all believe it's 'outside' of the central banking system. To me, it is the central banking criminals conditioning us for a transition to a new digital currency. Is this correct? Is this a plan to replace the dollar with a digital currency? If that's true, why would I not invest myself?"

And a related question: "What is the connection between hyperinflationary economic policies and the disruption of the development of Afghanistan? Could Afghanistan issue a currency that is bonded to its natural resources?"

**Paul Gallagher:** On the first question, I completely agree. I wrote about this maybe two or three years ago in *EIR* that all of these digital currencies were trial balloons—let's put it that way—for what could become central bank controlled digital currencies. All of the major central banks are preparing those. That was a major part of what Mark Carney talked about at that 2019 bankers' meeting that I described. He said that the central banks needed to have their own global synthetic central bank currency in order to inflate the dollar. So, yes, I completely agree with regard to what was said about Bitcoin, for example.

On the second question, if I could just pose something, and see what Mr. Mehrabi thinks of it.

Assume the Afghan Central Bank were to, by the release of its assets, recover the ability to stabilize its currency by selling dollars, as he described. On Nov. 15, a virtual, but an unusual meeting between the Presidents of the United States and China will occur. Since this is what we are fighting for, let us propose that those two Presidents agree that an institution in China—say the China Development Bank—and an institution in the United States—say the International

Development Finance Corporation—should each jointly issue a credit for the long-term project of building the railroad and associated electric power lines and so forth from Tashkent to Kabul, and over into Peshawar, [connecting to] the China-Pakistan Economic Corridor, a major economic development infrastructure plan for the country.

Let us say that they agree that they will prevail on the World Bank, which has been asked to fund this project, to do it. \$5 billion is, I think, what has been talked about. Could not those credits go directly to the Da Afghanistan Central Bank? Could not the Da Afghanistan Bank add to that \$5 billion from domestic sources by its own ability to borrow domestically, and therefore manage the credit of that project?

If we were to see something like that happening, and if any American engineering firms, for example, were to get involved in such projects that were being funded in this way, then they in turn would have to go to their major banks and ask for loans. And that would put a pressure on those banks, which are not lending money now, to do so.

So, I think that the Da Afghanistan Central Bank could very easily be in the central role in the flow of credit to exactly such development projects as have been discussed, as I just referenced. I'd like to know what Dr. Mehrabi would think of that.

**Dr. Mehrabi:** There are two ways of addressing this issue. One is in the short run, and then the long run. Mostly, the point that you're raising with regard to the projects and so on, is not going to be a short-term solution, but a solution that actually can be examined, and I think it could bring fruitful results in the long run.

The immediate issue is, rather than having a structure and working on implementation of a new structure, we cannot wait that long. Obviously there are a lot of good things that could come from the long-run solution, besides the humanitarian aid from China's huge Belt and Road Initiative (BRI), that could provide Afghanistan with long-term economic viability as well.

Afghanistan was not allowed before, but the BRI that Beijing pledged to work on, was \$60 billion or so for an infrastructure pipe in Pakistan. That could be instrumental in the long run, besides what I said with the ARTF, for channeling those projects into Afghanistan.

But it all goes back to the severe sanctions that the United States has imposed. No country is going to act to release any development funds, nor will other banks

go out and engage in transactions with the Central Bank of Afghanistan, unless those sanctions are addressed.

Remittances from the United States constitute about 4% of GDP. When Western Union decided that because of United States pressure, no remittance [transfers] would be allowed, it really brought even more hardship to a lot of people in Afghanistan, because this was another means of livelihood. The United States decided to allow these remittance transactions to take place.

Going back, it has to be addressed first and foremost, that releasing the reserves and what can be done in the humanitarian area is not the total solution. All the sanctions will have to be examined by the United Nations, as well as by the Treasury Department of the United States, in trying to come up not only with a short-term, but definitely a long-term solution.

**Celani:** Thank you, Dr. Mehrabi. The next question comes from José [Vega] in New York City:

“The world has seen the giant 20-year mistake that the United States has committed in Afghanistan, and sees what it is doing to Haiti now. Is the international community afraid to react and condemn the United States for what it has done? Why does the international

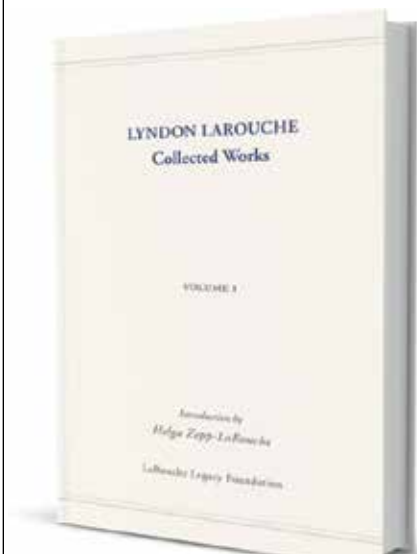
community allow the United States, and of course the British, to continue bullying other countries? I ask this to understand what role young people and others who are very active in protesting internationally might play in calling attention to the situation before it’s too late.

**Zepp-LaRouche:** With many years of experience with cowardice, you find a lot of people who say privately what you are saying is absolutely truthful. But then, they don’t have the courage to speak out. If young people would start to take up *these* issues, instead of issues cooked up for them by the international financial oligarchy, we could change the situation very rapidly. If we do not investigate what went wrong in Afghanistan, then there is the danger of a repetition of the same kind of behavior in any other situation.

This idea of going back several centuries, to the Great Game, the role of the British Empire: Many people think the British Empire no longer exists, but that is absolutely not true. Radical Islam would not ever have emerged without Zbigniew Brzezinski. What happened in the various mutations of radical Islam which are now in large part the opposition to the Taliban: It is not sufficiently emphasized that the people who now say we have to oppose the Taliban,

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are actually proposing to cooperate with the kind of terrorist organizations which are the real threat.

There needs to be a lot of discussion, but if young people would start to earnestly take up on it, that would make the difference.

**Celani:** We have three questions, more or less on the same topic:

The first comes from Martin Glaser in Baltimore, and sounds a bit provocative. But he explains that the purpose of the question is to get support for the demand to release the frozen funds: “How did the Afghanistan National Bank accumulate the \$9 billion in reserves? Was it from internal taxes, or other sources of revenue of the former Afghanistan government? Was it from investments by the Central Bank?”

The second question is from Dr. Gérald Ezéchiél Sebgo, a radiologist from Burkina Faso: “What steps have been taken to ensure that monetary reserves are released by Europe and the international community?”

Then, a question from Matthias Mabilot in France: “Is it possible to have more details on the resources and economic perspectives for Afghanistan?”

**Dr. Mehrabi:** On where the reserves came from: there are other sources that were listed, from where the reserves were accumulated. The Central Bank invests heavily in countries that have a high rate of return, and safety and security. Afghanistan has been lucky in attaining a high rate of return on its investments, allowing it to be able to generate enough interest. Another part comes from export earnings [customs duties] and from [tax] revenue. So, those are all the points, those are the sources of the revenue.

On the second question, on what steps were taken to release: I think I mentioned that I on my own, started this in the proposal that I cited, if you were listening—the monitored, controlled release of \$150 million monthly. I started that, and a month and a half or so later, in their Doha meeting, the Taliban formally requested the release from the United States Government. At first, the Treasury Department did not respond, because at that time they argued that they were examining that. I have met with many Congressmen, as well as Senators, and their staff formally over the past month and a half, trying to get them to sign—we have already circulated a petition, and I think I sent the petition to Gerald Belsky.

So, we started that petition, one; and then also second, I have written a letter to President Biden

that I would like Congress people to sign or co-issue, to address this particular issue as well in regard to release the funds. So, those are the steps we have taken overall.

The third question was about the prospects of Afghanistan in the future: The economy is not going to have much of a future, as I said, with a GDP decline that started at about 9% for the first month, and went down about 13%. It is projected to go down 30%. That is a collapse of the economy.

Unless these issues that we mentioned—access to foreign exchange earnings, which is now not permitted, allowing the \$450 million in IMF aid money that has not been released, and releasing the money held by the U.S. Treasury on accounts and pension lists blocked by the sanctions—all of that will have to be reversed.

On global terrorism: This is part and parcel of what could make the difference with regard to what happens to the economy overall.

I see that all these limitations are very instrumental in making a difference in what could happen to the economy. In one form or another, our efforts should explore all the possibilities.

How much can donors operate, even if the United States does not recognize the Taliban? There should be dealings anyhow. If the U.S. doesn't recognize the Taliban, how can each donor, if the donor wants to go ahead—European donors and others—how can they operate within the existing sanctions? These sanctions are crippling. The IMF will not act; the World Bank will not act; they do not have a legal obligation to comply with the United States sanctions. The World Bank does not; neither does the IMF. Why don't they do it? It's a question that needs to be discussed. NGOs obviously do not have the luxury as well.

**Celani:** I think we all agree with you that these measures are insane. I would like to close this discussion period by asking all of you for short, summary remarks.

**Zepp-LaRouche:** I just want to again make my proposal of the Ibn Sina operation, because while it is important to fight the negative, for the release of the funds, etc., I still think that you need a positive image of what the operation to save Afghanistan in this particular dangerous moment is all about. The idea of putting up one of the greatest sons of the region—it's debated if he was born here or there—would be a rallying point for many people. Given the pandemic and the health crisis, I still think the need is to put the building modern hospitals up

front. If people are dead, you can't do anything with them anymore. So, I still would reiterate this proposal to put the building of a modern health system absolutely in front and give it the name Operation Ibn Sina.

**Gallagher:** What Helga said, seems to me, brings into very sharp relief the discussion of the physical economy and the whole panel. We've been discussing Afghanistan and the physical economic condition that it is in. Given what we know, just imagine how absurd it is for the Secretary of State of the United States very clearly placing a *political condition* on the end of sanctions and the release of these Afghan reserves. [Antony] Blinken has said this point-blank: "We won't do it until the Taliban do what we want them to do." So, it is an absolute outrage. Who could possibly imagine that in this situation, that in addition it would be said—also, any investment that is made there, any attempt to improve the economy there, must be Green; it must be in accordance with the taxonomy for the Green New Deal of the European Commission, or such things—?

And yet, because Afghanistan desperately needs hospitals—Helga said yesterday, only 100 hospitals are really operating for 38 million people—this is an absolutely impossible ratio and situation. It desperately needs more hospitals, at least to be reopened, and people hired, in addition to also [new] builds. It desperately needs new water sources by the time people are planting in a few months. It desperately needs more power and the ability to finance that power. So, how could you possibly take those development needs and say, "Well you can't approach them until you build some wind turbines." They're not doing that now.

Just change your view to another developing country which is also in an economic crisis, nowhere near as bad as that in Afghanistan, but South Africa. South Africa is in a very *extreme* need of infrastructure investments, most particularly in power. And yet, South Africa is being compelled to obey conditionalities imposed by the private banks, by the private sector, by the money managers at the Glasgow summit. In order to get any aid, the President [of South Africa] must commit *in writing* to a rapid shutdown of coal power production in the country. This is just as outrageous. My point was simply that this is what the international Green Deal aspect of this hyperinflationary policy really consists of. And

in all of the developing nations across the world, it will be disastrous.

But here we have an example in which action must be taken, and the approach of Operation Ibn Sina that Helga outlined more fully this morning really defines exactly what that urgent action should be.

**Celani:** For those of you have doubts on wind turbines and taxonomies, I invite you to [watch](#) our Panel 3, "There Are No Limits to Growth." [A full reporting of that is available in *EIR* Vol. 48 No.48, December 3, 2021, pages 21-54].

Dr. Mehrabi, do we go with Ibn Sina?

**Dr. Mehrabi:** Yes, I think it's a very good idea. I'm excited about that. Ibn Sina Hospital is right in the heart of Kabul. As a matter of fact, when I was in high school, my mother died as I was driving her there to deliver. So, I'm a very strong advocate of building hospitals.

The package definitely will have to focus on hospitals, which are a very integral part. Local livelihood, a basic income, small infrastructure—all of those will have to be coupled. Definitely, if people are not healthy, and obviously if they don't have nutrition and access to buying the basic necessities of life, they will further create a situation where we have to have more hospitals. To avoid that, obviously we have to have a *complete package* that will focus on all services that people need. Definitely, the embarkation of this Ibn Sina Hospital is a welcome move in that direction.

**Celani:** Mr. Terra, if you have some remarks on what the other speakers have said, what Helga has said, or say more, please.

**Terra:** Certainly. All great points. I do agree with Dr. Mehrabi in terms of petitioning to unfreeze the \$9.5 billion of the Afghanistan Central Bank, and we're here in Washington, so we'll support that petition very proactively. Likewise, in terms of the hospital that Helga mentioned, the Ibn Sina Hospital. It's a specific, concrete project. And with the advent of technology, telemedicine, something that we are working with, this could be a tremendous resource and leapfrog our capability for the Afghan people. But I do agree that it needs to be part of a broader package of building capacity and infrastructure in Afghanistan.



I really do appreciate what you, Helga, brought up just a minute ago in terms of the courage to really define a new narrative. The question was brought up earlier: why is the international community not stepping up? At the core of this problem, at the core of the solution, is the human condition. A new narrative, a paradigm shift, must happen, and right now. All the old modalities are no longer functioning. As individuals, as the international community, we need to address this and deeply examine, deeply listen to the root causalities, and invent a new paradigm that is on the path to peace. So, I think that courage at the heart of it to really turn the page, is warranted among the youth, amongst the leading members of societies. As a world body, we need to really examine this.

**Zepp-LaRouche:** I would just really appeal to all our viewers and listeners that, in a certain sense, you have to mobilize *agapē*. I think why people are not reacting, is because they have become infected with a depraved indifference. You can portray a picture where you say 95% of the people in Afghanistan are in danger to die over the winter—that’s what [UN World Food Program’s Executive Director David] Beasley has said. If you are human, this should evoke a tremendous pas-

sion to help and to make it better.

So, I would really appeal to you to forget that Afghanistan is a culture you may not know much about. I got really fascinated about the history of Afghanistan. It’s very difficult, because, for example, not so much is known about Bactria, but it was an ancient civilization at the time of the ancient Greek civilization; there are many Greek inputs. Not enough archaeological work has been done. In any case, there is a lot to discover.

People have to develop passion for other cultures and other countries. That does not mean you accept their values, nor should you try to proselytize and impose your values on them. The world is so rich, in terms of many expressions of creativity of the human genius. That should motivate us. And a new narrative, if you want to call it that way, should be built on the best traditions of what every nation and every culture has contributed. That’s why I put so much emphasis on Ibn Sina, but that should be that which links us to a more beautiful future for all of mankind. I want you to mobilize *agapē* to do exactly that.

**Celani:** Thank you, Helga. And thank you to all the speakers. Now, we go to the next section of our panel.

## Comment from Former U.S. Diplomat On ‘Project Ibn Sina’

by Ambassador Chas Freeman

*Asked about Helga Zepp-LaRouche’s “Project Ibn Sina” proposal for international cooperation to address the humanitarian disaster in Afghanistan, former Ambassador Chas Freeman responded in a November 30 interview with EIR. The hour-long video and transcript of the Nov. 30 interview with Ambassador Freeman are available [here](#).*

I think there’s a very strong case to be made that the effort that the



EIRNS/Julienne Lemaitre  
Ambassador Chas Freeman

Russians made, and then we made, to modernize Afghanistan, to promote the rights of women, to improve education and health care, can only be effectively carried out on a multilateral basis. It cannot be carried out as Moscow and Washington attempted to do with an occupation force engaged in pacification over resistance.

So I think the idea of a multilateral approach to Afghan development is an excellent one, and probably the vehicle for