

architecture which would generate true development for all nations, and which would generate a sense of security for all.

Pedro Rubio: South America and the New Development Architecture

Greetings from Colombia!

We have been promoting initiatives and proposals for the entry-point into the South American continent through the Darien Gap and Colombia, to become not only a pivotal point for the World Land-Bridge, or the New Silk Road, as it is also known, but also, from the standpoint of a new economic and development architecture for all nations; that it ensure not only the food sustenance of Colombian nationals, but also that it be transformed into a supplier of food for the planet.

Paradoxically, we have very fertile land by world standards, because we are part of the equatorial belt, and we have a diversity of climates which makes it possible for Colombia to produce food 365 days a year. So, we have great potential.

I'd like to mention the calculations made by Vladimir Vernadsky, the father of Russian biogeochemistry, which we have applied to determining the ability to maintain a given population per square kilometer. It's quite interesting, for example, that in the case of Colombia, we have 446,656 square kilometers of arable land, and a population of 49.6 million people, whereas we could feed a population of 67 million.

In other words, with the potential that we have today of producing food on Colombian territory, making use of technology—and Vernadsky's calculations were based on the technology available at the end of the 19th century and beginning of the 20th century—with technological advance, the optimization of our agricultural land in order to feed people, means we could even double that amount.

In other words, I would venture to say that it is possible to feed an average of up to 75-80 million

people on the land we have in Colombia.

If we turn to the case of our neighbor, Venezuela, which shares a border with Colombia, Venezuela has 216,000 square kilometers of arable land, with a population today of 28.8 million. By optimizing that territory, based on modern technological advances, they could feed more than 40-45 million people.

And it's here that we have a sovereign decision that must be made by nations, based on the need to make every square kilometer, or every hectare of land, depending on how you measure it, more productive in order to ensure the food supply. In that way we can face the threat of world famine that the FAO and the UN and many other voices internationally are warning about—that it is not only coming, but it is already underway internationally. And it is necessary to immediately activate an economic recovery plan for nations that have agricultural potential, to intensify the policies to be able to be the food suppliers of the world, and not only of their own populations.

It's important to implement the approach of "development corridors" in order to ensure the flow of the necessary inputs, so that both the imports as well as the exports of food can be carried out through these development corridors that are proposed as part of the New Silk Road. That, we believe, is what must be done at this moment, at this *punctum saliens* that we are facing in history.

We have two paths available: one, to advance towards a new era, a renaissance of economic growth and of dialogue of cultures; or, what some theoreticians of the Clash of Civilizations are proposing, a Dark Age of perpetual wars and conflicts among nations.

We, in Colombia, have the hope that the entire planet and these forums of dialogue, deepen the necessary advance of a dialogue of cultures and economic cooperation which the planet so needs.

Thank you.

Public Discussion

This is an edited transcript of the discussion following the presentations to the Second Panel of the April 9, 2022 Schiller Institute Conference, "To Establish a New Security and Development Architecture for All Nations." Participating were Harley Schlanger (moderator), Dennis Small, Prof. Justin Yifu Lin, Dr. George Koo, Helga Zepp-LaRouche, Fraydique Gaitán, and Dr. Wolfgang Bittner.

Harley Schlanger: (moderator) Judging by the number of questions we're getting, this panel has certainly stirred some things up. A question has come in on the result of the Ukraine crisis on world hunger: "Is this making things worse, or wasn't there already a crisis before this?"

Dennis Small: Yes, there absolutely was a crisis

before this, and the Ukraine situation has just poured more oil on the fire. What was underway, as Lyndon LaRouche discussed back in 1971, was the coming collapse of an entire system. The reason 1971, is because that's when the policy of floating-exchange-rate systems was established, which allowed for massive speculation to take over the entire world economy. A cancer took over the body economic. Therefore, with speculation and financial interests having the upper hand, the productive physical economy worldwide entered a period of collapse. Were that not to be reversed, LaRouche said, you will have both the effects of an economic collapse—hunger, pandemics, and so on—and you will also have the attendant wars that come from such a systemic breakdown crisis.

The reason this floating-exchange-rate system was so disastrous is that it opened the door to a massive speculative bubble in the form of derivatives, which began, and took over the entire financial system of the world, with very few exceptions. Today, we have close to \$2 quadrillion in financial derivatives; over \$100 trillion, according to the official statistics of the BIS [Bank for International Settlements], are based on exchange rate bets back and forth. So, the problem with the world financial architecture – it's not that we're simply saying that we don't like this building, and we'd like to have a better one. This system is done with—it's gone. It is killing the world's population because it is defending a speculative cancer, and is destroying all aspects of the productive economy.

The key to the concept of a new architecture of a solution that we're proposing, when Helga talks about the Treaty of Westphalia, it's not simply an example of a treaty that was signed. It's a totally different concept of man than what has prevailed under the existing system since 1971. Since 1971, the concept of wealth has been financial wealth, and, therefore, war of one against all.

The measurement of an economy as GDP is a fundamental axiomatic mistake. Instead, Lyndon LaRouche said, we have to measure an economy by *potential relative population-density*. That is, the power of an economy to generate the conditions of living and the advancement of technology and science in particular, to make sure that the entire world population can continue to move forward at higher standards of living. That is not a monetary question. That requires a different concept of man, returning to the concept of man as exemplified in the Treaty of Westphalia.

That is the key also to what was stated earlier by Professor Lin, and I think it's really true, that if you want to be rich, build roads first. Not rich in money. If you want to be rich in money, go into the drug trade, go into speculation, become a Wall Street banker. If you want a nation to have *actual* richness, you have to build infrastructure because that's what develops the productive powers of labor and the potential relative population-density, as the actual measure of economy that has to replace Gross Domestic Product. So, that's why Ukraine was simply throwing oil on the fire—not Ukraine, but the sanctions applied using Ukraine as a justification. As Russian authorities have stated, if Ukraine hadn't existed, they would have invented something, because their war against Russia and China pre-existed the situation around Ukraine. And that, I think, is the concept needed to come up with a solution of what the new architecture should be.

Schlanger: Someone wrote in and asked, “What is the role of the BRICS at this moment? Brazil, Russia, India, China, South Africa. Are they still functioning, and how do they fit in with the Belt and Road Initiative?”

Prof. Justin Yifu Lin: Yes, they are functioning marginally. First, BRICS set up the BRICS New Development Bank with a headquarters in Shanghai, and that New Development Bank is still there and in operation. But its capitalization is very small, so what they can do is limited. BRICS continue to have summits, but with the economic challenges, and they may not have a large voice in the world, especially compared to the G20. So, yes, it's still there. But there is a lot of work the BRICS countries need to do to enhance the cooperation and to give a voice in the G20 if the BRICS wants to have an impact.

Dr. George Koo: I think the whole idea of the BRICS is very different from, for example, NATO. It's not a military alliance. It's not organized to be against anybody. It's much more to enhance the spirit of collaboration. Indeed, as you can see, during this sanction campaign against Russia, none of the BRICS countries joined. They are part of BRICS; they are part of the collaboration with Russia. I think it's similar to the SCO, the Shanghai Cooperation Organization. It also involves countries not for the purpose of a military alliance, but for the purpose of collaboration, cooperation.

The SCO, which includes almost all the BRICS, is actually more than half of the world in terms of land and population. So, looking at it from that point of view, that points to the direction of achieving what this conference is seeking to achieve, which is: “Let’s not bomb everybody to the Stone Age.”

Schlanger: Helga, I have some questions for you, that come from the first panel and also the second. Someone asks: “How will this new movement be safe from being incorporated into the Great Reset? How do you keep the power-hungry away from taking it over?” Others have asked, that there was some discussion of sustainable development, which is the line connected or associated with the Green New Deal, or the COP26 conference. Someone else wrote in, “Why insist on Agenda 2030? Isn’t that the policy of the globalists, the World Bank, the World Economic Forum?” So, I’ll throw that one to you, to distinguish between an idea of a development policy and what generally has been meant when people talk about “sustainable development” and “Green technology.”

Helga Zepp-LaRouche: The answer to the first question is that you have to be vigilant, obviously. But I think that we, as representatives of the LaRouche movement and the Schiller Institute, have done a pretty good job of remaining independent for 50 years, and I’m not planning to change that in the later part of my life. [laughter] I would urge our younger members to have the same resilience against corruption, which I think is a healthy attitude.

On sustainability, the reason why I did not pick up on the issue, is because I think if we settle on the question of the sacredness of human life, and we start to make sure that 1 billion people do not die, then the question is how you do it? You need food. I insist that we need a modern health system in every country.

You have to study economics, and that’s why I’m very happy that we have several excellent economists on this panel to further this discussion. My late husband, Lyndon LaRouche, discussed this question of what is actually sustainable. He changed it to “durable existence,” because there is a difference between short-term survival and long-term survival. He has developed an economic-scientific method which I think is very important to think about. He developed the correlation between the relative potential population-density, which can be maintained at a certain level of scientific

and technological development, and the correlation of that to the energy-flux density, which is being used in that particular production mode.

If you want to keep a growing population alive and well-nourished and well-fed, and you want to have a decent education for every child being born, that requires certain economic-scientific principles. I think the big challenge will be to master these economic conceptions. How can we as a grass-roots movement, as Jay Naidoo was putting it, combat the all-powerful financial powers, the oligarchy? I think it is through an education process, where in the final analysis we want to have a society where every citizen is potentially capable to be the President, the Economics Minister, the Education Minister, the Science Minister, because people have a desire to qualify themselves. And the more people are qualified to do this job and be a competent minister or head of government, that makes the oligarchy eventually impossible.

This is obviously not a short-term question, but when you have a system of education like the Wilhelm von Humboldt system we had in Germany, or like China is actually doing it now with the aesthetical education which President Xi Jinping is putting so much emphasis on, that is actually the best method to make people truly free and truly competent. And that way, I think we can eventually change the system completely.

Schlanger: This question is from Adeshola Kukoyi, the founder of Equilibrium Perspectives: “How would a new development order address the debt burden that many nations are facing?”

Fraydique Gaitán: [through interpreter] I would like to make reference to what has been said about those who would demonize the [UN’s] 2030 Agenda [for Sustainable Development]. Human beings so far have been able to construct and evolve different policies and different agreements, and to propose treaties, such as the Treaty of Westphalia, which has been discussed so far. But I would also like to mention the Versailles Treaty.

I would like to return to the idea of the 2030 policy, because there has been a big attack on it. Again, human beings in their evolution have created various procedures for advancing, but there has also been a big contradiction which develops at the point where conflicts are generated, and wars occur and so on. Everybody signs these treaties, but not everyone actually follows what they say. For example, in the area of pedagogy,

there is a hidden agenda and a real agenda.

So, returning to the issue of the role of treaties, such as that of Westphalia, in developing social dialogue among populations, again, we have built accords, we have built agreements, but the issue has become one where the policy that has to be taken up by governments and implemented has not actually done so.

I believe that the ILO [the UN's International Labor Organization] mechanism which has been created coming out of the Versailles Treaty, is the most appropriate one for dealing with the kind of conflict we're facing today. The Treaty of Westphalia was absolutely critical for the passage from the Middle Ages into the modern world, the war of Spain against the Low Countries, the transit from feudalism into the modern world and the creation of the nation-state. The ILO, however, comes out with an approach for addressing crises which, after World War II, was subsumed under the United Nations. But it is the principle of *equity* which for 100 years has been the best basis for building a society based on social justice.

The mechanism that came out of the creation of the ILO was the approach called *tripartism*, which involves the role of workers, employers, and governments. This process first begins on national territories, then it comes into a world meeting in Geneva, and then international agreements are established. The key point is that it places human beings and the respect for life at the center of those kinds of agreements. This is the key to actually building a peace, and it is also the basis of the 2030 program. The problem has been that those who manipulate policy through NGOs and other instruments, including those who are more interested in wealth, have undermined this process.

Schlanger: I want to get back to the question that was posed on debt, because it does make more concrete what you're talking about. Professor Lin and Dr. Koo, how would a new development order address the debt burdens that nations are facing? If you want to talk about equity, nations that are unable to develop because the debt must be paid first, how would you suggest this be addressed in a new development order?

Prof. Lin: Debt certainly is an issue in a developing country, because they don't have the privilege like the reserve currency countries such as the U.S. and the EU, which can print money to buy goods or to pay back the debt. However, for the developing countries, we need

to look not only at the debt; we also need to look at their assets.

When we talk about the Silk Road Initiative, you need to make investment. For the developing countries currently, they don't have sufficient funds to support the infrastructure investment. To make that investment possible, they may have to borrow money, thereby increasing their debt. However, most debt will make investment in infrastructure, which is itself an asset. Those kinds of assets will enable the country to make the structural transformation, and with those kinds of structural transformations, they can increase their productivity, can create jobs, and generate growth. With that, they can earn more money to pay back their debt, and also increase their income.

There is some talk about a debt trap, but I don't think they distinguish those kinds of debt which make investments to improve the infrastructure and to increase the assets, and also, to enhance the capacity to generate more growth. If debt is used for that purpose, I think developing countries will have a larger potential to generate the financial resources to make their growth possible, and with that, the debt can be paid back, and they can get rid of the debt trap.

Dr. Koo: I agree with everything that Professor Lin said. I just think that the Belt and Road Initiative as promoted by China is along the lines of creating the infrastructure that will lead to assets that will generate income for that country, which means that they will initially incur more debt, but it's going to be *productive debt*. It's not going to be debt that goes to line the pockets of crooked politicians and leaders. It's really one of the most effective solutions for a country to get out of debt on a long-term basis.

Small: The issue of debt is actually overshadowed, by orders of magnitude, by the problem of financial derivatives on a world scale. If we include in that [debt], financial derivatives, then we're talking about the nature of the actual problem. But if you compare the order of magnitude of all the debt in the entire world—Third World debt, advanced sector debt, private debt, public debt, everything—it may be a couple of hundred trillion dollars. Similarly, with stock market investments, and so on. But the derivatives bubble is an *order of magnitude* larger. It is speculation built on top of speculation, and it is that, which was introduced with the 1971 collapse of the fixed exchange-rate system.

Now, these issues are very closely related, because in developing sector countries—and I’ve had the opportunity to study the situation in the nations of Ibero-America most closely—what happened with the foreign debt was an absolute and complete fraud! The money was not lent for the purpose of the kind of productive investment which both Professor Lin and Dr. Koo have mentioned. That, of course, would have been very nice. But the strings attached to those loans were very specific, from the IMF in particular, that it could not be used for productive activity. What it was used for was repaying old debt. What happened was, countries in Latin America would pay off their debt, but after they had finished paying it off, the total amount of debt grew!

The reason that happened—something that I have referred to as “bankers’ arithmetic”—is because financial warfare against those countries was launched—their currencies were massively devalued, the international terms of trade were rigged against them, so, they were in a situation where the more they worked to pay the debt, the more indebted they became.

The key point about IMF conditionalities throughout this was not that they wanted countries to pay their debt. They don’t! The key point was to make sure that they would never invest in the kind of productive activity that, for example, the Belt and Road represents today, and would instead remain in perpetual chains.

So, when you’re dealing with a speculative bubble of this size, you are not talking about legitimate debt. You are talking about fraud; you are talking about usury. What you are going to have to do to build a new architecture—and my authority and my source on this is Lyndon LaRouche, who said this very clearly—you have to take that entire mountain of debt and put it through bankruptcy reorganization. You have to freeze it; you have to put it aside. You can’t pay it. If you try to pay it, *you will kill people*, which is what is happening today.

Once you have done that, then you can establish the kind of credit-issuing mechanism that both Professor Lin and Dr. Koo are referring to—as China represents, as Alexander Hamilton represented in the United States—of issuing credit that guarantees increases in the potential relative population-density, guarantees increases in the productive powers of labor. That will increase more rapidly than the issuance of debt, making sure that the debt is completely repayable.

But what you must do is put an absolute barrier between the financial speculative cancer—all \$2 quadrillion of it—and the issuance of productive credit. Again,

inside the United States, there was the Glass-Steagall law, under which you had exactly that banking separation. When you are a country, as Professor Lin was referring to, where you don’t have the privilege of just printing money and calling it wealth, but you actually have another currency that you have to deal with, the form that Glass-Steagall takes is absolute exchange controls, no to the cancer, and a fixed-exchange rate, and then, you can issue sovereign currency for the process of development.

There will be no possibility of a new architecture, economically, to allow us to have the kind of growth which we are talking about, unless this entire system is put through bankruptcy reorganization. A healthy body cannot coexist with cancer: That’s the essence of the approach that we have to take today.

Schlanger: Helga, this question was addressed to you. “What about China and the Eurasian Economic Union? They were said to be ready to unveil an independent international monetary and financial system based on a new international currency calculated from an index of national currencies of participating countries and international commodity prices. Is this a good solution?”

Zepp-LaRouche: I think it’s presently the only available one, because what is, for example, Russia supposed to do when it’s being sanctioned with the explicit aim to crush the Russian economic system? So, I think Russia is just saying, as it reacted in the beginning to the sanctions—there are some people in Russia who think the sanctions were actually healthy for Russia, because Russia was forced to go into its own production in areas where they had not been so strong before. So, it actually increased the economic strength in agriculture, it started to force Russia to build up investments in capital goods. Right now, all the energy which Europe wants to embargo Russia with, there are many countries in Asia in particular that are very happy to replace the Europeans. The United States, by the way, did not stop its importing. They increased oil imports from Russia by 43% last week.

This is now happening between many countries. Saudi Arabia was mentioned as doing trade with China on the basis of the renminbi; the India and Russia rupee-ruble [arrangement]. I think the idea of pegging these [national] currencies to commodities is actually a step in the right direction.

The danger of all of this, is that if you have a complete decoupling between the Western countries, and let's say, the Asian countries, and Russia and China in particular, I think this embodies the danger Dr. Koo was talking about, that this will backfire and cause a tremendous backlash. The danger naturally is a plunge into chaos.

But if you are put with your back against the wall and have no other possibility, and you are trying to do the best you can, maybe that will shock some countries in Europe into reason. The more countries that say we need a new paradigm in the way we are discussing it at this conference, the better. Our approach is still that the solution should be all-inclusive, and if it goes through some ruptures in between, maybe that's necessary. But the aim still must be to arrive at an all-inclusive system, because anything else has incredible dangers associated with it.

Sometimes you can't do what is best, and you have to do what is possible.

Schlanger: As sort of a follow-up to that, someone asks: "Would a single currency for international trade perpetuate monetary speculation? Do we need multiple currencies, or could we come up to an agreement with a single currency?"

Small: I want to start by an addendum to what Helga said. That same speculative dollar that the Russians, the Chinese, and Indians, and everyone is trying to separate themselves from, just in self-defense, is the same London-based dollar—this is not the American currency—it's a London-based speculative system, which is also the same financial instrument that the United States of America should separate itself from.

The basis for building that kind of all-inclusive approach is that the United States must join with the Belt and Road Initiative, and we ourselves must break with the *London dollar* and re-establish our own *greenback dollar*, a U.S. currency. That's what the Glass-Steagall legislation is all about. So, this is not something that needs to be hostile to the United States, quite the contrary. This is in the best American tradition. We ourselves must reject that same speculative currency—the London dollar—and re-establish an American dollar. I think that's the proper approach, and I think that also leads toward answers to the second question that was asked.

Schlanger: Someone wrote in and asked: "What

about the problems of corruption in countries where the Belt and Road Initiative is being extended? Must political change occur before economic partnership? Or do you think economic partnership will deal with the political problems?"

Prof. Lin: I think that every country has the dream of industrialization, to generate jobs for their people, and to enhance the living standard of their people, if they know the way to do it. For the politician, I think their goal is to stay in power, and also if they can stay in power, they want to be considered as a hero of their nation. The way to do it is to generate growth, to create jobs, to enhance the living standard of their people. I think the Belt and Road Initiative, that infrastructure investment, will enable the politician to have the way to fulfill the dream of their people and also their aspiration as national leaders. So, under that consideration, I don't think the Belt and Road Initiative will invite the corruption, if we design the infrastructure project in a way that can really contribute to the development in their nation.

Dr. Koo: The temptation for corruption is always there. Based on past experience, certainly straightforward, charitable foreign aid as practiced by the West, probably lends to even more private under-the-table opportunities between politicians and the country giving the aid. In terms of Belt and Road-type projects, if it's specifically tied to a particular infrastructure, and if the deal is transparent, it's going to minimize the temptation or the possibility of corruption. So, I think that will at least in part ameliorate the "leakage" of investments, if you will.

Schlanger: I want to introduce Dr. Wolfgang Bittner, who is a very important author and philosopher from Germany. He said what is being discussed at this conference is very essential.

Dr. Bittner: [speaking in German with Helga Zepp-LaRouche interpreting] What we need is a powerful peace movement which does not exist, but hopefully will develop, because it does not look very good in the world. The main task of human beings with their lives is to develop a humane identity. In that context, I want to point to the aggression of the German government, which under the pressure of the United States, is right now committing against Russia. For this it is important to know that Germany, from 1945 to today, is still an occupied country.

What people have to consider is that the present German state, whatever is left of it, does not have a peace treaty. It officially still has the status of an enemy country, according to Article 53 of the UN Charter. Once one knows that, it becomes much clearer why Germany is engaged in such a hostile propaganda against Russia and also China, which right now takes absolutely absurd forms.

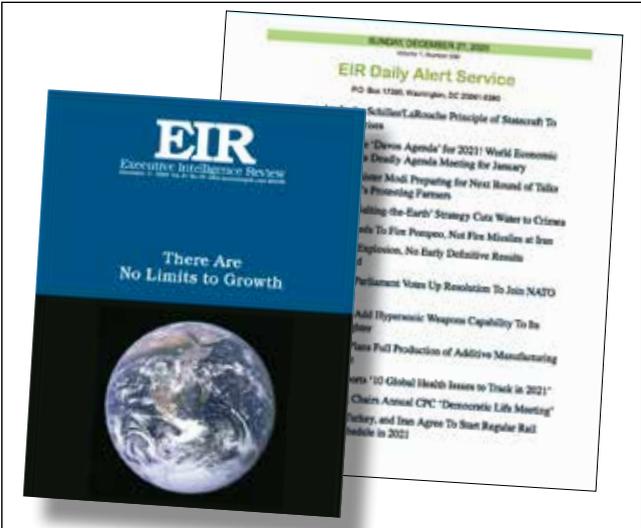
I wish us all peace, and I wish success to the effort of this conference.

Schlanger: *Vielen dank!* We're now at the end of the panel. Everyone will have a chance to give a final comment.

Gaitán: [through interpreter] We have seen through the various presentations during this conference, that the sickness of humanity is very clear. Everyone has said it very clearly, we have to get rid of speculation.

The key issue that has to come out of this conference is: What is the mechanism with which we can arrive at a real peace, an end to war? Will we have war, or will we have social dialogue and peace?

I don't agree with those who propose a bipolar world.



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I propose a world that has many different groups in it. For example, Latin America should play a key role. Africa already does—for example, its role in heading the ILO. The Security Council of the United Nations has done great damage, but I don't agree with those who say the United Nations should be ended because of it.

Mankind has tools. We can create a new architecture, we can and should get rid of the debt, we have to restart a new architecture. We have to build a new world economic order. Man's capability of having a social dialogue, a tripartite social dialogue, is the best mechanism at hand to put an end to war and to create a lasting peace.

Dr. Koo: So far, the session talked about redesigning, talked about ending war, talked about ending debt. All of those things are very important. But as an American, and as a proud American, I have to say, the big elephant in the room that has to be somehow neutralized, or removed from the scene, is my American leaders in Washington. They insist on being the hegemon, they insist on dominating the world, and if it means combat, conflict, nuclear war, so be it.

Ladies and gentlemen, I think until that part is resolved, all the other things that we would like to have happen are going to be facing a tremendous challenge. We have to change the mindset in Washington first and foremost, before anything else I think can be done.

Prof. Lin: Let me quote [John Maynard] Keynes in his famous book. It's the last sentence. He said, "It is ideas, not vested interest, which are dangerous for good or evil." And I hope the ideas that we discussed in this conference, those good ideas, will prevail in the world.

Zepp-LaRouche: I would like to make the point that sanctions should be banned, because sanctions are a form of warfare. Both Russia and China have said that very clearly. Sanctions normally don't hit the elites, they hit the poor people; the most feeble—the old, the sick, the women, the children. They are always aimed to get the population upset against the leadership and cause regime change. This is really a very inhuman means of conducting relations to other countries, and it should be banned. I think sanctions are something which we should get a public outrage against, and it should be put on the list of things which have to go.

Schlanger: Thank you Helga. And thank you to all members of the panel.