

‘The Issue by 2004 Will Be the World Economy’

Here is the press conference of Lyndon H. LaRouche, in Bangalore, India, on May 24, 2003. He was introduced by Chandrajit Yadav of the Centre for Social Justice, one of the sponsors of the “World After Iraq War” conference.

Chandrajit Yadav: We are going to start out this morning’s press conference. This press conference is organized by Centre for Social Justice along with Schiller Institute of Germany. We are going to hold here, an international conference. It gives us great pleasure, that a very important, at a very critical time in the international situation, we have organized this international conference in the “Garden City” of Bangalore. The reason we chose Bangalore is that such conferences are very often held in the national capital, New Delhi. But, we thought that we should go to another important city, which is a very important city, internationally known, because of high-tech, and because of the computer software; and also because of its beauty and charm, its climate—that is, Bangalore City; so we chose Bangalore City for this international conference.

I am Chandrajit Yadav, the president of Centre for Social Justice. So, I’m glad to introduce our two very special guests, today, who have very kindly agreed to meet you: First, on my left side, is Lyndon H. LaRouche. A very brief CV [*curriculum vitae*] has been circulated to you, so that you may know his background. He’s a very internationally known personality. And, one important thing is, he is a candidate for the Democratic Party nomination for U.S. Presidency election, 2004. So, it is very important, that Mr. LaRouche is in India. And perhaps, U.S. Presidency attracts international attention, because of its historic importance, not that it claims today to be *the* only superpower—not because of that. But because of the great history of that country, because of the progress that country has made. Because in the U.S. political Constitutional system, the President occupies the pivotal position, a very important position, unique position. So, Mr. LaRouche is a candidate, within the Democratic Party. So, he is here.

Now, it is a great pleasure, and I’m personally very grateful to him, that he has found time, because his commitment is *equally* for world peace. His very great commitment that world should progress, world should develop; democracies should develop; international relationships should develop, and he’s feeling very, very concerned about that; what he will tell you himself briefly about this situation. So, he is with us.

He is internationally known economist, also. He is very well known for his economic long-term forecasts, which have very often proved to be true, in fact. So, he has got his own ideas about the world economic situation, and what kind of alternative economic situation should be for the future.

He is leading this delegation, also, from Germany, from the United States of America. To Mr. LaRouche’s left is the “better half” of Mr. LaRouche, Helga Zepp-LaRouche. She is the wife of Mr. LaRouche, but she is, in her own right, a great cultural personality. She is working for a new, universal renaissance. She’s working *very sincerely*, for peace, harmony. There are forces which are trying to create a situation of conflict between different religions: She’s saying, “No civilizational clash, but civilizational dialogue.” So, she’s with us.

World Economy and India’s Role

So, now this the introduction part of our very special guests. You will be glad to know that May 26-27, the venue is this hotel itself, international conference is going to be held.

The main theme of the conference is: “World Situation After Iraq War.” After the U.S. attack on Iraq, there is universal concern, that whether the national sovereignty of every nation’s fundamental, basic right, will be there, or it will be destroyed; whether the United States be allowed as a world police, and finding a solution. In that situation, we are meeting here in this international conference.

Other themes are its impact on world economy, the international relationship. In this special situation, the role of NAM [Non-Aligned Movement] and especially India: India has played, always, a very important role for peace in Non-Aligned Movement, in building a just new world order. India has a great history, culturally, civilizationally, in freedom movement. So, what will be the role of India, in this context? And, also, this civilizational dialogue, which is important.

So, these will be the themes. May 26, the conference will start here, in this hotel’s grand banquet hall, at 10:30 in the morning. Conference is going to be inaugurated by our former Foreign Secretary—and now Member of Parliament—K. Natwar Singh. He is also the chairman of the Congress Party’s Foreign Affairs Committee. He is a senior member of the Congress Working Committee. He was also the Secretary General of NAM, when India was the chairperson of NAM, during Indira Gandhi’s time. The conference will be presided over by the Senior Minister of [the Indian state of] Karnataka, Shri K.H. Ragnath. There are three other ministers, who are our guests of honor: Mr. Krishnappa, Mr. Mahadev, and Mr. Dharam Singh.

And the keynote address in our inaugural session will be made by Mr. LaRouche. That will be become the basis of our discussions. Many delegations are participating: As you see, this is the leader of their delegation, American citizen. Helga is from Germany; she is the chairperson of a very important institute—Schiller Institute. Schiller was known as the “Poet of Freedom,” for his philosophy, for his poetry—he is interna-



Promotional banners for the conference, with photos of the speakers, including Lyndon LaRouche, were displayed throughout the city of Bangalore.

tionally known. In his honor, in his memory, she founded that institute—she is the founder chairperson, and right now also, chairperson of that institute.

And, also, an important delegation from Afro-Asian People's Solidarity Organization, Mr. Nouri Abdul Razzak Husain. He is the secretary general of AAPSO and is coming from Cairo for this conference. Chinese delegation is coming. China Embassy has sent its political counsellor, along with other colleague, so, China is also represented on a high level. The chargé d'affaires of Cuba, because new Cuban ambassador was not able to come; so first political counsellor is acting as chargé d'affaires. We are expecting a delegation from North Korea. We are still hoping for a delegation from Russia, but there are still problems. But we hope that somebody will arrive from there, so.

Besides that, many MPs, many MLAs [state-level Members of Legislative Assembly], very many intellectuals, active social workers, youth, women—they're all participating. We have invited 200 delegates—international as well as national. They will be here on May 26-27 for this conference. Our invitation is to you, to your press, also, that, please, cover those two days of our conference, because we feel that the Bangalore Declaration—we will pass a declaration from Bangalore—and we want that it should be *internationally known*, "Bangalore Declaration for Peace." So, we will discuss that also. So, Bangalore will become, really speaking "a city for peace and harmony." And, we hope from this international conference, it will get a new tradition.

So, these are the things that we are going to discuss. Now, I'm going to request Mr. LaRouche, to kindly give your comments, to these friends.

Lyndon LaRouche: In light of the conference, which will occur in the following two days, I think, on this occasion,

pending your questions to me in the course of this conference—that I can limit myself to probably what amounts to several sentences, summarizing my mission here. To qualify that, I'm not merely a candidate for the Presidential nomination of the Democratic Party in the year 2004. I'm presently, statistically, the leading candidate for the Democratic nomination, by virtue of popular financial support for my candidacy, in popular terms. I have also been, during the recent period, the leading political figure—as a specifically political candidate figure, or member of government—in opposition to what became the recent Iraq War.

Since then, during the recent weeks, especially the past two weeks, since my report on the composition of the right wing in the Bush Administration was picked up by the *New York Times* and other publications, there has been a revolt against the war policy, increasingly, within the Congress, and other institutions, inside the United States.

At the present time, leading figures of the war party, associated with Donald Rumsfeld and Cheney, are now under severe attack. The war policy itself is under severe attack, both from the CIA, which alleges incompetence and fraud in the material presented at the United Nations Security Council, but also from the Congress itself—very vigorous attack, during the recent period, from the Congress.

So, now, there is an active *opposition*, which has arisen very recently, in recent weeks, within the United States, to the war policy. This opposition coincides with a push for implementation of the Road Map policy for peace in the Middle East, that is, between Palestine, the Palestinians, and Israel. This is now sticking.

LaRouche Proposes Recovery Measures

Under these circumstances, the possibility of peaceful solutions for the present world financial crisis, have now come



In one of the many southern Indian dailies which gave major coverage to the “World After Iraq War” conference, speakers and organizers are shown in a traditional “lighting of the lamp” in order to open the proceedings.

on the agenda, seriously. This conference, of course—the conference of the coming two days—will implicitly address that question. My specific proposal has been, that there should be development of a Eurasia trading bloc of cooperation, which should be the central point, or the central feature of a worldwide recovery from the presently onrushing financial-monetary collapse.

India’s recently improved relations with China, the opening of new discussions with Pakistan, signify the importance of India’s specific role within a coalition of nations, dedicated to peaceful reconstruction and expansion throughout Eurasia. This has been, for many years, my hope, that such a development would occur. And I hope that this conference, by having international representation here, in Bangalore, and my participation in it, will help to further the intention of leading political figures, to the possibilities of this cooperation, at this time.

Yadav: So, Helga, would you like to say something, please?

Helga Zepp-LaRouche: The main subject I will address in this conference is to counter the danger of a Clash of Civilizations. Following Sept. 11 and the war in Afghanistan, we’ve seen actually the evolution of the policy which was first articulated by Samuel Huntington in his very stupid book, called *Clash of Civilizations*, which assumes that, between the great religions and cultures of the world, there is no common principle, and that therefore, a war between Christianity, Islam, Judaism, Hinduism, and Confucianism is the necessary outcome of the future. You see, right now, as a consequence of the implementation of this policy of Samuel Huntington’s by the present U.S. Administration, that you have an explosion of terrorism, which escalates by the day. And, one is reminded

of the word of Mahatma Gandhi, that if you follow a policy of “an eye for an eye”—which the so-called “war against terrorism” supposedly is—then, you end up with the whole world being blind.

And, that is the big danger: That if we don’t stop this, we are faced with the danger of a Dark Age.

I want to counter this specifically, with the idea of a Dialogue of Civilizations, because I think we have, on one side, a very great danger to the world and to civilization. But, on the other side, I think we are equally close to a very hopeful perspective, because if you can get the countries of Eurasia together—of Europe, Russia, China, India, Southeast Asia, the Middle East and Gulf regions—as the centerpiece of a just, new world economic order: I have been fighting, together with my husband for many years, for the implementation of the so-called “Eurasian Land-Bridge,” which is the idea to integrate all of Eurasia, through so-called “infrastructure development corridors”; which right now, is bringing the world very close to the biggest economic prosperity the world has ever seen.

If we put conflict behind us, and say that we have to work together in the economic interest of everybody, through such large infrastructure projects—infrastructure corridors, the building of thousands of new cities across Eurasia—I think we look into an incredible economic, positive future. But, we have to combine that economic integration with the idea of a dialogue among the cultures of Eurasia. And there, we will find that there are universal ideas, which are common to *all* of these. I have studied, a little bit, Hinduism, and have come to the conclusion that the ideas of *sanatana dharma*, you find in the philosophy of Europe, in Christianity, in Islam, in Confucianism. And, I think we have to emphasize the *best* contributions of *each* of these cultures, and then, have a dialogue on that basis. And I think we will look at the potential of a new renaissance, which will be better than any renaissance the world has seen in the past.

And, I’m very hopeful, that this will be the focus of our common work.

Why the U.S. War Policy?

Yadav: So, any question, you are invited to ask, if you wish to.

Q: How many people are opposing the war policy in the United States?

Lyndon LaRouche: Well, generally, you can say the majority of the U.S. population opposes the war. However, the characteristics of political processes are somewhat more complicated than that.

Eighty percent of the U.S. population—the lower 80% of family-income brackets—have tended to take a passive view of politics. They express their wishes in certain obvious ways. But, the U.S. mass media, the leading mass media, generally represents a view, which is interpreted internationally, as U.S. popular opinion—but it is not. It is the popular opinion of a few in the mass media, for example, controlled by Rupert

Murdoch and Conrad Black, who are among the most right-wing, fascist characters you can imagine; and that sort of thing controls much of the mass media. Whereas, if you go into the states, the local communities, the local media—not the mass media, but the local newspapers, local radio stations—you find a completely different attitude. So, the majority of people have been opposed to the war.

But, in our system—which is poorly understood outside the United States—in our system of government, the way it functions, if the government itself, the Federal Executive branch, takes a policy which is dangerous, as the recent Bush policy has been; if there is no effective opposition, expressed from within the Congress, especially by the opposition party; then the country finds itself helpless to resist the inertia of a war policy, as was the case with the Iraq War.

The problem I have had, which is why my leadership was unique, is that the Democratic Party has been partly under the influence of a right-wing faction, typified by the spectacle of Joseph Lieberman. It has done *nothing*, effectively, to oppose the war, apart from a few statements from Senator Byrd, Senator Kennedy, and others. But no action.

Recently, in the past several weeks, the Democratic Party, and some Republicans, have revolted, against the Bush policy. This revolt has activated support from constituencies inside the Executive branch, such as the military—where strong resistance existed—and other parts of the government. And also popular institutions throughout the country. So, now you are seeing, as expressed by the *New York Times* and other publications, which are mass media, you're seeing a revolt, and a desire to take the scalps of many of the right-wing people: Rumsfeld, Wolfowitz, Shulsky, others, who are the extreme right-wing fanatics behing the war policy, are being attacked and chopped.

So, at this point—. And also, new agreements have been reached. The agreement on the Road Map: Europeans, Russia, and the United States are committed to the Road Map for the Middle East, as a peace policy. The Bush Administration has announced itself as committed to the Road Map. How close Bush himself is to that, we don't know: He's a very unpredictable person. But, it's happened.

Negative Politics Does Not Work

So, now we're on the prospect of peace. Once this peace message gets out to the American people, you're going to see, from the American people, a revolt that was always there. They *didn't* want the war: *They hated and feared the war*. But, they also fear the oncoming world depression *more*. And therefore, if you can combine opposition to the war, with a concrete proposal for economic solutions, then you will find that the people of the United States, in the majority, will give overwhelming support to that. So far, there's been resistance. In the United States, *negative politics does not work*. It has an effect, but it does not work. *Positive* policies, especially in a time of crisis, of *economic recovery*, which affects over 80% of the U.S. population, which have been increasingly

immiserated, by policies of the past 40 years. And, you give a message to them, that you are actually, seriously moving, from the top of government, for economic recovery, they will respond, as they responded to Roosevelt, under conditions of the Hoover Administration.

Q: [follow-up] You're an economist: How do you see the economic situation in the United States?

LaRouche: Okay, look at the world economic situation, in particular: The United States, during the period since about 1964, since about the time—remember we went through a change, if you recall. Most of you are too young to have experienced it, but between 1961, with the Bay of Pigs; 1962, the international missile crisis, the threat of nuclear war between the Soviet Union and the United States; the 1963 assassination of President Kennedy, which was never resolved; the launching of the Vietnam War, a horror-show—you had cultural changes and other shifts inside the United States, and Europe, and elsewhere. As a result of that, we went from being, in the United States, the most productive economy in the world, to becoming a parasitical consumer society.

After 1971, we used our power, our control over the International Monetary Fund, to loot other nations. You saw, for example, 1967, in India, the rupee devaluation, which was a force which *ruined* the results of the Nehru Administration, and which was the frustration of Mrs. Gandhi all throughout her position as Prime Minister.

So, these effects have had an effect.

So, now we've come to the point, where a parasitical monetary-financial system, called the IMF, since 1971, has been looting the developing countries and other countries of the world, to support the hungry habits of the wealthy circles in the United States, in particular.

This system has now come to an end. It came to an end about 1998-99. It is in the process of collapse. So, now we are at the point of a *total* collapse of the system, reflected by the fact, that, in the recent period, the value of the U.S. dollar has dropped about 20%, relative to the European currency. This is going to continue, unless the United States changes its foreign policy. But, at this point, you're seeing a collapse of the dollar. A collapse of the dollar, say, to as much as 30-40% would mean a collapse of the present world financial system, because a collapse of the dollar, means a collapse of every asset of every country in the world, which is denominated in dollars. Every bank, which has assets denominated in dollars, will be affected severely, by the collapse of the dollar.

So, we're now at the terminal stage, at which only a new—as we tried in 1976—a new, more just, world economic order—because the solution can not come from the United States alone. In the post-war period, the power of the U.S. dollar was the basis for the Bretton Woods system. The world recovery, of 1946 through the middle of the 1960s, was based on the power of the U.S. dollar. Today, the bankrupt United States no longer has that power. Today, the solution must come from a *concert* of nations, of sovereign nations, who *agree* to play the role, in directing the world economy, that

the United States played in the post-war period.
So, we're in a point where that situation holds.

The Coming Campaign

Q: Do you think that the war will be an issue in the next United States Presidential election?

LaRouche: It will be, but it's going to be in a different way, than now. What you're going to see now—first of all, the CIA is conducting an investigation of the fraudulent evidence presented to the United Nations by the Secretary of State, at the behest of the war party. That's going to increase. You're going to see scandals—which is the usual method in politics—scandals which will bring down people who have been considered powerful leaders of government, in that sense.

But, the leading issue, by next November 2004, by that time, the leading issue will be the world economy, and everything will be put under the issue of "world economy." And, what you are seeing here, in the conference, which is occurring in the next few days, is a reflection of that: The relationships among India, China, which are improving; the effect of that on relations with Pakistan; the issue of Korea, in trying to find a peaceful economic solution to the relation between the two Koreas; the attempt of Europe, to find solutions for its economic distress, in more cooperation with Asian countries. These things are going to be the dominant issues of the campaign.

And the idea will be, the war party was wrong, because its economic policy, as well as its military policy, was wrong. And, I think by next year, the economic policy will be the major issue.

Yadav: So, thank you very much, for coming. We close the conference here. Thank you.

Indian Press Highlights LaRouche on the Economy

Here is a sampling of the extensive Indian press coverage of the Bangalore conference. Except where noted, the text has been translated into English by for the Schiller Institute.

***Prajavani*, May 26:**

A leader of the Democratic Party of the United States, Lyndon H. LaRouche, gave a piece of advice to the world community, especially to the U.S., not to interfere as a third party in Indo-Pakistani talks to thrash out their problems. Inaugurating an international conference on peace in Bangalore on May 26, he highlighted the grip of Dick Cheney and Donald Rumsfeld on the U.S. administration, which is driving the world for war. He predicted that the 2004 Presidential election will be a historic fight between peace promoters and war mongers.

***The Hindu*, "Convince U.S. Against Imperialism, Nations Told," May 27 (original in English):**

Bangalore, May 26—The world polity, including countries such as India, China, Russia, and France, should engage in a meaningful dialogue with the U.S. on Iraq and other issues of concern, rather than confront it, the member of the Congress Working Committee, Natwar Singh, said here on Monday. . . .

Lyndon H. LaRouche, a candidate for the Democratic Party nomination for the U.S. Presidency in 2004, condemned the U.S. policy of war against Iraq, and said measures should be initiated immediately to reverse the "accelerating collapse of the U.S. economy." The global bankrupt financial system had to be revived to establish a profitable new world economic order within a global community of perfectly sovereign nation-states, he added.

He said economic decline would hurt financial systems in Europe and Asia. "The ultimate target of the people behind the Bush Administration who are brainwashing the President is to attack China, he added.

Transfer of technology among countries such as India, China, and the U.S. would give a boost to the economy. "The traditional notions of income from financially competitive export of finished goods and engineering installations should be replaced by a scientifically refined concept of profit derived from technology transfer," he said.

Mr. LaRouche expressed concern that the value of the U.S. dollar had depreciated by 19 to 20 per cent, and would drop further by 25 to 50 per cent.

Addressing presspersons later, Mr. LaRouche said the increased fiscal deficit and current account deficit of the U.S. Government had led to depreciation of the U.S. dollar.

The U.S. economy was witnessing growing inflation, high rate of unemployment, and a reduction in industrial production. Overall, the internal economy was depressing, he said.

The Minister for Forests, Environment, and Ecology, K.H. Ranganath, the Minister for Urban Development, D.K. Shivakumar, the Bangalore North MP, Jaffer Sharief, the Minister for Public Works, Dharam Singh, the Minister for Social Welfare, A. Krishnappa, the Chairman of Centre for Social Justice, Chandrajit Yadav, and the Chairperson of the Schiller Institute, Helga Zepp LaRouche, were present at the conference.

***Prajavani*, "Economy of Asian Countries Faces Problems," May 27:**

Democratic Party candidate for the American Presidency and economist Mr. Lyndon LaRouche said here today that the economy of America is seriously ill, and this will affect the economy of Europe and the Asian countries.

He was speaking at an international seminar on the World Situation After the Iraq War, in Bangalore. Due to America's sick economy, the value of the dollar will go down.



Lyndon and Helga LaRouche are shown with Natwar Singh, in this photo from the Deccan Herald's front page.

Production in America has come down and unemployment is rising. . . .

He condemned Defense Secretary Mr. Rumsfeld and said that the Iraq war was conducted due to the pressure of imperialistic forces, inspired by Hitler of Germany.

War is not the answer to war. Asian countries must reach agreement for development and they should come out of future economic crises.

Vijaya Karnataka, "America's Mediation Is Idiotic," May 27:

Bangalore, May 26—Without knowing the problems of India and Pakistan, America has no right to interfere, Mr. Natwar Singh, AICC member and ex-Minister, said in Bangalore today.

He criticized the war policy of America and said they wanted to kill Saddam Hussein. He called for strengthening the Non-Aligned Movement. The Security Council of the United Nations must be reorganised and policies must be changed to correspond to the need of the hour. Through the Iraq war, America has moved forward into the 21st Century in very bad shape.

Mr. Lyndon LaRouche condemned the attitude of the Bush government, which is the puppet of imperialist forces. He said the U.S. Senate has failed to stop war.

Deccan Herald, "US Economist Predicts Dollar Collapse," May 27 (text in English):

Bangalore, May 26

Mr Lyndon H. LaRouche, Jr., an economist and a leading candidate for the Democratic Party nomination for the US Presidential elections 2004, today forecast that the US dollar, which is facing a lot of pressure internationally, will collapse.

"The dollar has become worthless and is going to collapse," Mr Lyndon [sic] said, while speaking to reporters on the sidelines of the international conference on "World Situation after Iraq War" organised here by the Centre for Social Justice and Schiller Institute.

"The US is already undergoing an internal depression. With the federal deficit growing and unemployment at its worst, the dollar will depreciate considerably in the coming days," Mr Lyndon said. However, he said that the dollar may be revived if US decides to reverse its policies. . . .

Mr Lyndon, who was highly critical of America's foreign policies, said "a group of fascists" surrounding President Bush were the result [sic] of the recent Iraq war. President Bush is using wars to conceal the economic worries of the USA. If things continue like this, the next targets of the US will be Syria, Iran, North Korea and China.

"The US would try to impose a nuclear war on North Asia so that the balance of the region is disturbed. The ultimate target of the US is China. It does not want any independent power to emerge to challenge it in the world." For a more peaceful and prosperous world, there is a need for long-term agreements between countries with regards to technology transfers. . . .