

Dialogue of Civilizations In the Golden City of Prague

by Our Correspondent

A conference of the World Public Forum—Dialogue of Civilizations took place in Prague from May 4-6, on the theme, “Europe in the 21st Century: a Meeting Place of Civilizations.” About 250 politicians, church representatives, scientists, intellectuals, and artists achieved an exchange of ideas on Europe’s future during the three days of meetings.

After an official reception in the Czech Republic’s National Museum on Wenzel Square, the conference convened in the Zofin Palace on idyllic Moldau Island. All the contributions and discussions—four days after the expansion to the East of the European Union (EU)—were occupied with the new situation this has produced for Europe. The overall coordinators of the conference were the Czech Republic’s former Prime Minister Milos Zeman, and Vladimir I. Yakunin, the chairman of the board of trustees of Russia’s Center of National Glory.

Most participants reflected the implications of the shift in axioms brought about in Europe by the current period of radical change. So Milos Zeman declared in his opening speech, that one should not equate the idea of Europe with the European Union; it were better to speak of European Civilization, in which Russia, according to his conception, must be counted. This idea, that Europe is the home of many nations and peoples, in which many political, scientific, and civilizational changes are taking place—and is therefore the natural platform for the dialogue among these nations and should not be limited to the borders of the European Union—was also expressed in the conference’s concluding address.

Vladimir Yakunin reported on the progress of the “dialogue among civilizations” in the past two years’ meetings of the World Forum, whose ideas have found increasing resonance in such countries as Russia, India, Greece, Iran, Italy, Germany, the Czech Republic, and many others. He remembered also the spiritual inspirator of these dialogues, J.C. Kapur of India. Not only must the relations between the EU and Russia be built up, but equally important is the improvement of the bilateral relations of all these nations—between Russia and the Czech Republic, for example. The theme of national sovereignty remains important despite its partial loss. Yakunin stressed the role of non-governmental public institutions, particularly in discussing human rights and dignity. Unfortunately, a marked paradigm-shift has taken place, by which, for example, “love” is more and more changed to “sex”

and “calling” to “career.” The media’s role is often negative, and by the constant showing of terror, of naked bodies, of corpses and violence, has driven a systematic destruction of the boundaries of the human capability for compassion and feeling.

The Declaration of Rhodes

The President of the Schiller Institute, Helga Zepp-LaRouche, gave an address on the theme of the universal image of man which must, in her view, underlie the dialogue of civilizations. The Declaration of Rhodes (see *EIR*, Sept. 19, 2003) has pointed to the great threat to the larger part of the human population through the effects of globalization, for which the paradigm bound up with it is responsible. The most important basis for a new human paradigm is the universal image of man on which all can agree. While for Christendom, the conception of man as man in the image of God, was clearly defined, and from it arose the inalienable rights and worth of the human being, today’s widespread views on this theme are not at all so well settled.

Mrs. Zepp-LaRouche sketched the conceptions common today, as, for example, that man is only a higher beast, an idea to which recently an entire series of so-called “philosophical



Mrs. Zepp-LaRouche addressed the first World Forum, on Sept. 3-6, 2003 on Rhodes, Greece, where the Declaration of Rhodes called for a just new world order.



The Plenary Session of the World Public Forum "Dialogue of Civilizations" conference on May 4 in Prague's Zofin Castle; and (inset) Schiller Institute Chairwoman Helga Zepp-LaRouche addressing the Plenary. Mrs. Zepp-LaRouche made two major presentations during the three-day conference; on the universal image of man, and on the imminence of a financial crash, and its solution.

quartets" broadcast on SAT 1 television channel were dedicated; and the claims of some geneticists that human genes prove this beast-likeness. These views can unfortunately not be put aside as insignificant expressions of cultural pessimism, because they have real implications for the process of political decision-making. Whether or not human life is valued as holy and inviolable determines, for example, whether in healthcare, cost-benefit calculations ought to play a role; or whether Argentina can be forced to pay its foreign debt, even if President Kirchner has stated that this will lead to genocide against Argentines.

There are, in the European tradition, two fundamentally different views of human nature, Mrs. Zepp-LaRouche said. One, going back to Plato and the basis of Christianity, sees man as a cognitive being, who is fundamentally distinct from all other living beings, and is the unique creature who can willfully improve the basic conditions of his life. Against this, has been the oligarchical concept that human rights belong only to a small, powerful elite, while the great preponderance of any population are suited only to the status of human cattle, slaves, helots, or peons. Most recently, the human image of the English doctrine of Hobbes, Locke, but also Mandeville, is in this tradition. On the positive side have stood Nicholas of Cusa, who saw the human individual as a microcosm of Creation; Leibniz with his concept of the Monad; and Schiller with his idea that each human being can become a beautiful soul.

Archbishop Christopher of Prague seized upon the same theme from the standpoint of the Orthodox Church: that each human individual is an icon of God, and therefore has the task to develop in God's image and likeness. It is his mission to make this image more bright and pure. Hell is a place without love. The Inferno is a place in which human beings stand back to back, neither to see nor to communicate with one another. If human beings cannot so communicate, then this is Hell. In all cultures there are such images; they are only differently

formulated, but the general idea is accessible to all. The Archbishop thanked Mrs. Zepp-LaRouche for emphasizing the spiritual character of human beings.

The Importance of Economic Policies

After further speakers had addressed the plenary session—Gottlieb Guntern of the Creando Institute, the Ambassador of Serbia and Montenegro Ilich Alexander, Professor Schneider of the Science and Politics Institute, Professor van der Veer of Holland, British Lord Robert Sidselsky, Tolochko Petr Petrovich of the Ukrainian Academy of Sciences, Professor Orr of England made quite distinct presentations through several sessions—the conference divided into four working groups.

In the panel on economic issues, the former Czech Transport Minister, Dr. Antonin Peltroin, stressed the great importance of integrated economic infrastructure for the future of Europe. A series of other speakers supported that point, that the free-market economy has in no way brought social stability. Mrs. Zepp-LaRouche gave a very closely-followed presentation on the imminent systemic crash of the global financial system, and the possibility of overcoming this crash with a politics in the tradition of American President Franklin D. Roosevelt.

A great concern, expressed in a number of speakers' contributions—for example, in the presentation by Professor Semechkin of the Russian Academy of Sciences—were the various geopolitical schemes of, for example, Zbigniew Brzezinski, to break Russia into four or five states; a development which would also mean a catastrophe for Russia's neighbors. Such a cataclysmic eruption would also lead the EU, Japan, China, and Turkey toward a complete destabilization. Another geopolitical provocation was seen in the proposals to bring the enormous natural resources of Siberia under international control. These geopolitical scenarios spring from the same spirit that was responsible for the world war in the mid-

20th Century.

It became clear in numerous discussions around the conference, that there is a pressing need for the hope of fashioning a European future of positive dialogue, but that there is also much room for improvement. Neither the new EU members nor Russia need to be treated by the EU bureaucracy as cheap-production states or as raw materials producers; rather, their representatives have to express very clearly that they claim an equal status from the start. The different facets of the Prague conference made clear that Europe, in this time of unexampled radical change, must still do a great deal to see that the 21st Century takes a happier course than the century past.

On one thing, all the participants in Prague were in agreement: The dialogue of nations and civilizations cannot be given up. And perhaps one of the most hopeful signs for the future, was that a wide range of youth from both East and West were represented at this conference.

Plenary Session

Is There a Universal Image of Man?

by Helga Zepp-LaRouche

Helga Zepp-LaRouche is founder and Chairwoman of the international Schiller Institute. She gave this speech to the Plenary Session of the Prague conference of the World Public Forum, on May 4.

As the Rhodes Declaration dramatically pointed out: Mankind finds itself in an existential crisis, where the existence of a very large part of the human race is threatened by the presently dominating paradigm of globalization, and the need for a new more human paradigm was emphatically requested. In front of the terrible situation in Southwest Asia, and the deteriorating economic situation in many countries in the world, this becomes more urgent by the day.

Therefore, it is important to agree on the axioms which underlie the new paradigm. Obviously, the most important of these axioms is the question: What is the image of man of the new paradigm? While from the standpoint of Christianity this is clearly defined—that man is in the image of God, and derives his inalienable rights and dignity from that fact—if one looks around in the world today, that question is not so self-evident at all.

On the 16th of November last year, there was a popular

TV program on SAT-1, the German-Swiss-Austrian channel, called the “Philosophical Quartet,” with the title, “The Eat-able Zoo—of the Co-Citizen Animal.” All the four participants of this talk show—the “philosopher” Sloterijk, the biographer Ruediger Safranskim, the artist Peter Kubelka, and Thilo Bode, head of an organization called “Foodwatch”—agreed, that there is no essential difference between man and animal. Also, there is presently a flood of so-called “scientific evidence,” supposedly proving that the genes of humans and animals are almost identical, that man is just a higher ape, closely related to the pig and so forth.

While one could dismiss this as mere opinion of some cultural pessimists, unfortunately, this has real implications for the real world in which we live. If man is just a form of animal, then the sanctity of life, absolutely granted by the monotheistic religions of the world, is no longer there. If man is just a higher animal, then the value of his life is a debatable question. Especially, when the increasing economic crisis demands more budget cuts, maybe human life has to be valued from a cost-accounting standpoint. That this is not a hypothetical question, we can see, for example, in the United States with the HMO-system, where cost factors decide if it is worthwhile to treat a patient with certain treatments or not.

How is this question to be answered, when the international financial institutions are demanding that, for example, Argentina pay its foreign debt in time, even if most of this debt is completely illegitimate (Argentina has paid that debt in real terms many times), and the President of that country, Kirchner, underlines that it amounts to genocide against the Argentine people, if this debt is paid. Who is right: the international financial institutions, who demand that “the system” must be maintained, and that therefore it is legitimate to demand the “pound of flesh” Shakespeare wrote about in the “Merchant of Venice”; or the President, who defends the common good of his people? Is human life sacred or not?

Two Opposed Ideas of Mankind

In European tradition there have been two distinct traditions on this question. One, which essentially goes back to Plato, has an image of man as a cognitive being, making him absolutely distinct from all other living creatures. Here man is capable of reason, of infinite self-perfection, and with the ability to understand the laws of the universe in a better and better way. His cognitive ability enables man to continuously improve the conditions of his life through scientific discovery, and thus to increase the population potential of the Earth from a few million, circa 20,000 years ago, to presently above 6 billion people. No animal can willfully change and improve the conditions of his life. With the arrival of Christianity, the sanctity of each human life, [as in the Old Testament’s Book of *Genesis*], became explicit, even if it was not yet practically realized during the Roman Empire and the Middle Ages.

Only with the development of the idea of the sovereign nation-state in the 15th Century—the development of repre-



Some of the delegation of European leaders of the LaRouche Youth Movement who accompanied Helga Zepp-LaRouche to Prague.

sentative government, and the notion that a government is only legitimate if it is devoted to the common good of its people—this idea became practical. The government of Louis XI in France was the first approximation of this concept. The writings of Nicholas of Cusa were a crucial breakthrough in the development of the idea of the inalienable rights of all people, guaranteed by a republican constitution.

However, there was a totally opposite tradition in European history as well. As Friedrich Schiller points out in his *The Legislation of Lycurgus and Solon*, the city-state Sparta was an early version of the oligarchical model, where a small oligarchical elite thinks of itself as chosen, as privileged by birth or wealth, while the rest of the population, 95% or more of the people, are essentially not more than human cattle, helots, slaves, who are not really human. Therefore the oligarchs have the right to kill this human cattle, if necessary, breed them for their own benefits, cull the herd, if so desired. Since it is important to keep the privileged status of the oligarchical elite, the masses of the human cattle must be kept deliberately backward, ignorant, and bestial in their desires. In the Roman Empire, which was in the tradition of Sparta, this occurred with the help of bread and circus. Today in many countries, it is the ever more bestial entertainment industry, which plays that role.

If one reads, for example, the writings of the very influential Joseph de Maistre, who was ambassador of Savoy in St. Peterburg at the beginning of the 19th Century—how in his “Letters to a Russian Nobleman,” he defends the Inquisition of Spain and the use of torture to control the masses and keep them backward—one gets a very good insight into the mind of the oligarchical ideology. Unfortunately this is not an academic question: The fact that torture is very much alive today,

we have seen just now in Iraq.

Maistre also argues, like all of his oligarchical co-ideologues, that man is evil by nature, and therefore needs this oligarchical dictate in order to control his evil impulses.

Such was also the argument of the English Enlightenment, of Hobbes, Locke, Mandeville, etc., who all proceeded from the idea of man as being evil, by definition. The only way to keep any order in the state was, therefore, through a social contract, a strong state, as developed, for example, in Hobbes’ *Leviathan*. The most obvious self-serving argument is developed by Mandeville, who argued that private vice serves the public good. (Because there are criminals, lawyers have an income, etc.).

On the positive side, there is Leibniz, who saw each individual soul as a *monad*. In each *monad*, there is, implicitly, the entire lawfulness of the universe embedded. His predecessor, Nicholas of Cusa, saw each human being as not only as *imago viva dei*—as the “living image of God”—but also as a microcosm, whose ability to understand the laws of the macrocosm meant that they had to be coherent. Evil, for him, does not co-exist with the good forever, as the Manicheans think; but for him, it is a lack of development, which can be overcome through exactly that—development!

This Platonic tradition in European thought is, by the way, very close to the thinking during the Indian Renaissance, which started in the middle of the 19th Century; namely, that there was a cosmic order, which man has the duty to consider in his political action.

Idea of the ‘Beautiful Soul’

I personally also appreciate very much the very positive image of man of Friedrich Schiller, the German “Poet of Free-

dom,” who wrote that every human being has the potential to develop to become a beautiful soul. A beautiful soul is a person, who has educated his emotions to be on the same level as reason; for passion and duty, freedom and necessity, are one and the same thing. A beautiful soul will always act on the level of the sublime, as if by instinct.

It seems to me that, given the axiomatic importance of the idea of the image of man, for all the other assumptions man develops in this world outlook, the dialogue of cultures and civilizations should start with trying to establish the highest ideal of man, that which is universal about him, and then look for corresponding concepts and ideas in each of the cultures.

When man is generally accepted as the only cognitive of all living creatures, a major step has been taken to lay the foundation to create a new renaissance, which the world urgently needs. And it must be especially the youth, the young people of the different cultures, who lift the dignity of man on the highest pedestal ever. If the young people of all countries relate to each other, referring to the best traditions of their respective cultures, then mankind will have overcome its infantile stage.

Economic Workshop

FDR's New Deal Is Key to Today's Financial Crisis

by Helga Zepp-LaRouche

To the workshop on economic questions of the Prague conference, on May 6, Mrs. Zepp-LaRouche gave this presentation, "A Policy in the Tradition of Roosevelt's Global New Deal As the Way Out of the Systemic Financial Crisis."

Especially in a moment where the integration of central European nations into the European Union gives rise to the hope of their respective peoples, that the circumstances of their lives will improve—and the desire to hear “bad news” is not exactly great—I feel that it is my duty to warn the participants of this conference concerning looming dangers in the global financial system, that will greatly effect the economic situation in Central Europe. But I want to emphasize at the beginning, that a positive solution is absolutely possible, and that there are several historical precedents which we can resort to, at least in principle.

Even if this is not admitted publicly, behind closed doors there is a very far-reaching agreement among members of governments and executives of leading banks and insurance

companies, that the global financial system is finished. The more informed of those executives are in a state of panic, that not one new “LTCM”-like crisis is threatening, but many new LTCMs. About the bankruptcy of the largest hedge fund in 1998, which at that time could only be bailed out by the 16 largest banks of the world, the BIS [Bank for International Settlements] had admitted in their annual report of that year, that what was at stake was the complete meltdown of the global financial system.

In its first quarterly report of this year, the same BIS, known to be an extremely conservative institution, warns of the extremely dramatic situation concerning all aspects of the financial system, implying, although in the typical bankers’ language, that all bubbles of the system could blow simultaneously—ranging from the stock and bond market bubble, volatility in the foreign exchange markets, unsustainable mortgage and consumer debt, to skyrocketing volumes of derivatives—amounting together to a systemic risk of unprecedented proportions. The reality is, that the derivative bubble alone has reached an order of magnitude more than the world’s GDP. . . .

Bush's Big April 2 Fraud Backfired

In the short-term, it was the absolute intention of the Bush Administration and Federal Reserve chief Alan Greenspan, to postpone the blowout of the system under all circumstances until after November of this year, in order not to wreck the re-election chances of this administration; so the low-interest rate level was supposed to be kept, despite some warnings such as those from Fed governor Poole, that inflation could become a very serious problem, and when it had become visible, it would be too late.

When in September 1998, the LTCM collapse occurred in the wake of the GKO-crisis and the de facto bankruptcy of the Russian state, rather than working on a “new financial architecture” President Clinton spoke about in front of the Council of Foreign Relations in that month, the international financial institutions decided to prevent any major bankruptcy with a “wall of money,” meaning the massive pumping of liquidity into the system, whenever needed. The negative interest policy of the Japanese Central Bank was part of this “Washington Consensus,” feeding, via the “yen carry trade,” various bubbles in the U.S. markets. For the immediate crisis management, there was the “plunge protection team” in the form of a group of investment banks which would intervene, pumping liquidity whenever a problem loomed.

Until early April, the markets generally assumed that the Federal Reserve’s prime rate would remain at ultra-low levels for a long time to come. Investors were hoping for giant, almost risk-free profits for banks and hedge funds. They could borrow from the Fed at 1.0% interest rates and then invest the money into high-yield U.S. Treasuries, corporate bonds, emerging market bonds, stocks, and commodities.

But with things not going so well for Bush in Iraq and in



Mrs. LaRouche talks with other participants in the Workshop on Economic Questions at Prague on May 6. She told the workshop that a U.S.-centered financial crash was at hand, but that such a crisis could also become the opportunity for a more just world economic order, if national leaders organized the New Bretton Woods strategy of U.S. Presidential candidate Lyndon LaRouche.

the real economy in the United States, somebody concerned with the re-election campaign wanted to create some “good news.” So the Labor Department announced on April 2 a “job recovery”; namely that 308,000 new jobs had been created during March. (A closer look at these statistics reveal that seasonally-adjusted employment actually declined by 3,000 jobs in March.) However, this announcement and subsequent, surprisingly “good” retail figures on April 13, caused a (very brief) stock market surge, thus causing a fall in the bond prices, pushing their yields up accordingly. On April 14, yields of 10-year U.S. Treasuries reached 4.44%, thus 79 basis points above the mid-March low of 3.65%. European and Japanese bond markets were affected as well. This manipulation of the labor statistics for electoral reasons triggered the disconnection of the very sensitive relation between the stock, bond, and derivative markets, thus increasing the volatility between all bubbles. Also, upward changes in the bond yields directly affect gigantic volumes in financial derivatives. According to the BIS estimates, the derivatives trade reached a daily turnover of \$870 billion, not counting the so-called OTC derivative contracts, whose real volume is anybody’s guess.

The release of a much higher-than-expected 0.4% increase in March [U.S.] consumer prices (not including food and energy) caused a sudden speculation that the Fed would raise interest rates much earlier—maybe already in August—sending panic in the markets. It is generally acknowledged that already a very small interest rate increase will tend to cause the house-price and mortgage bubble to burst, causing yet another multi-trillion dollar asset evaporation, as happened in March 2000 with the “new economy” bubble’s burst-

ing. The international financial system can actually be compared with a mine field, where if one steps on one, the likelihood that the cluster risk will cause a detonation of the entire field, is extremely great.

Factors of the Breakdown

For time reasons, I can only reference other elements of this systemic crisis: the unsustainability of the United States’ deficits—trade, current account, and budget; the U.S. indebtedness in all categories; the debt crisis in general; the potential unwillingness of Asian countries—with a total of \$1.3 trillion reserves—to keep financing the dollar and the U.S. deficits; etc. Other elements are the increasing confidence crisis in the top managements, given the criminal practices of those at Enron, World Comp, Parmalat, Royal Dutch Shell, to only name a few. The Iraq fiasco is another factor contributing to the confidence crisis in the Bush Administration.

It must be emphasized, that this systemic crisis is not the result of any recent mismanagement or cyclical event. It is the result of a paradigm shift in the economies of the G-7 countries, which has now been underway for almost 40 years. In the middle of the 1960s, a transformation occurred, changing the industrial economies of the United States, Western Europe, and Japan, step by step, into consumer societies; replacing, more and more, the focus on the production of real physical goods based on a high scientific and technological standard, with the utopianism of the post-industrial society and speculation. Not scientific excellence, high morale in the work process, and long-term concern for the common good of society; but short-term profit in the “shareholder society,” outsourcing in cheap labor countries, IPOs, and the idea that not work and investment bring income, but money makes money. Those who still work themselves, are actually idiots; the clever ones go into speculation—the higher the risk, the higher the profit. A “robust appetite for risk” developed, as the BIS calls it euphemistically.

When the economies of the former COMECON countries collapsed, my husband, the American economist Lyndon LaRouche, warned that if one would superimpose on the bankrupt communist economies the equally bankrupt free trade economies, that after an initial period of looting, the general collapse of the entire system would be even bigger. I presented at that time a plan, in many conferences in eastern and western European capitals: How the economies of the COMECON states—only obsolete from the standpoint of the world market, but not from the standpoint of physical economy—could be transformed in the development of the urgently required infrastructure.

Unfortunately this plan, the “Productive Triangle Paris-

Berlin-Vienna, which included Czechoslovakia, was not adopted; instead, Jeffrey Sachs' "shock therapy," the "Polish model," and the structural reform program of the IMF, was adopted. What was hiding behind these nice words, was the geopolitical design to turn especially Russia, after 1991, into a raw materials producer, and eliminate its future role as a potential superpower forever. With the disappearance of the Soviet Union, globalization could go into its final phase, and the same kind of "primitive accumulation" which had previously looted Africa, Latin America, and parts of Asia, was applied to the economies of the former COMECON.

But in today's world economy, which has been turned into a world casino, *rien ne va plus*. At this point, there are only two alternatives on the table as to what to do when the crash hits, which could be very, very soon. Either—and this is being actively contemplated by certain bankers, economists, and politicians—the governments try to save the banking system at the expense of the living standard of the population, through brutal austerity in the tradition of Hjalmar Schacht; or—and this proposal is also on the table in many countries—a solution is implemented in the tradition of Franklin D. Roosevelt.

Just to mention it very briefly, austerity, "saving," does not work. Especially under the double conditions of a global depression, and a world financial and currency crisis, the normal "market mechanisms" don't work. Cutting taxes, for example, does not encourage investment and consumer activity, when people have anxieties concerning their workplace, the security of their pensions, and rising health costs. Cutting, especially, the state budget doesn't work either, because with each cut the state eliminates work places and productive capacities; subsequently the tax income shrinks; and in the next round, the hole in the budget is worse, so one has to cut more, etc. It is a spiral downwards without a bottom.

Roosevelt: 'As . . . the Emergency of a War'

On the contrary, Roosevelt proved with his "New Deal" that with dirigist measures in the tradition of the "American System" of the first American Treasury Secretary, Alexander Hamilton, it was possible to pull the United States out of the Depression. Roosevelt simply went back to the American Constitution with its General Welfare Clause, and under the extremely difficult condition of a banking collapse, a physical economic depression, and a very depressed living standard of the people, he took measures to get the economy going again. These were far more than technocratic steps, they were guided by the Leibnizian philosophy embedded in the U.S. Constitution.

In his First Inaugural Address on March 4, 1933, he stressed: "So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance. . . . The money-changers have fled from their high seats in the temple of our civilization. We may

now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere money profit."

He then elaborated the inalienable right to the pursuit of happiness, stated in the Declaration of Independence, which is not Lockean hedonistic pleasure-seeking, but the Leibnizian idea of a fulfilled and cognitive life. "Happiness," FDR said, "lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort. Our greatest primary task is to put people to work. This is no unsolvable problem if we face it wisely and courageously. It can be accomplished in part by direct recruiting by the government itself, treating the task as if we would treat the emergency of a war."

With this attitude, he proceeded to impose supervision of all forms of transportation, communications, and utilities, such as energy, which "have a definitely public character," such as strict supervision of all banking and credits and investments. He got large infrastructure programs going, both hard and soft, such as the Tennessee Valley Authority, that produced an impressive increase in the rate of productivity of both industrial capacities as well as the labor force. It built abundant hydroelectric power, flood control, river diversion, improvements in agriculture, and new industries. It improved education, eradicated malaria, and employed large numbers of people.

The government employed millions of unemployed, primarily for the construction of infrastructure. This put in motion the so-called "multiplier effect"; the large volume of goods needed for the infrastructure projects required increased production in previously idle factories; the entrepreneurs participating in the projects had more money, could hire more people; those now employed had more buying power, spent more on food, housing, etc. So the whole economy got revitalized.

In order to finance all of this and to ensure credit flows into the economy, Roosevelt used the Reconstruction Finance Corporation as a Hamiltonian instrument, which issued the required credit. Through a whole series of regulatory measures he took control over the banking system and shifted the economy from speculation to production. He took care of the "forgotten man" by improving the social system. All these measures together are what is known as the "New Deal"—which Roosevelt planned to advocate, after the war, for the whole world. Had he not prematurely died, postwar history would have taken a different course.

The LaRouche New Bretton Woods

Today, these policies are being represented in even a more scientifically-based way than was the case for Roosevelt, by Lyndon LaRouche, Democratic Presidential pre-candidate and the only serious rival to John Kerry. Mr. LaRouche has an impeccable record concerning his economic forecasts; he was often the only economist, during the last 45 years, to

foresee crucial paradigm shifts in the economy and describe their consequences, if pursued further. His proposals, for which there is in the meantime a significant international following—for example, in the Italian Parliament—are briefly as follows.

Very soon, or at the latest, when the inevitability of the global systemic crash is evident to all, there must be—on the level of heads of state—an emergency summit in the tradition of the Bretton Woods Conference of FDR in 1944. The conference must then proceed to declare that the present international system has to be replaced with a new one, which however can adopt the best features of the old Bretton Woods system as it existed in the first two decades of its existence, correcting certain unjust features it had concerning the developing sector. The largely unpayable debt of the global system must either be cancelled or reorganized. The derivative speculation must simply be taken out of the system by agreement between the governments.

There must be a return to a fixed-exchange-rate system, since no long-term international investments are possible otherwise. And most important: The credit generation must be brought back under the sovereign control of national governments. For this purpose, each country should establish a national bank: either as a Hamiltonian national bank; or like the Kreditanstalt for reconstruction in Germany in the postwar period; or as a Reconstruction Finance Corporation, which can issue not money, but credit lines for the reconstruction.

These credit lines must be highly regulated, they must be, in volume, bound by the need to create productive full employment, and must be limited only to those kinds of investments, into which one would invest if the economy was functioning very well. The most obvious areas for such investment are large-scale infrastructure programs, research and development, and other areas, which increase the productivity of the economy and serve the common good. The Tremonti Plan is a step in the right direction, but a much larger volume of credit generation is required.

The obvious focus for such large infrastructure investments is the construction of the Eurasian Land-Bridge. The industrial centers of Europe must be connected with the industrial and population centers of East and Southeast and South Asia, through so-called development corridors. Starting with the old transport lines—the Trans-Siberian Railroad and the old Silk Roads as the first three corridors—all of Eurasia should be infrastructurally connected through an integrated system of high-speed railroads, highways, waterways and computerized stations. Along these transport arteries, approximately 100 kilometer-wide corridors should be developed, in which there will be power generation and distribution and communication, creating ideal conditions for the development of industry and agriculture, as well as new cities.

Key to the success of this program is the following. If the world is to come out of its present crisis, we must replace

the paradigm currently underlying all policies. We must say goodbye to the ideas of free trade, quick profit, shareholder value society, outsourcing, cheap labor, etc. We must conceive of the transformation of the Eurasian continent over the next 25-50 years—namely, one-two generations—because that is the time needed to develop a newborn baby into a productive engineer, scientist or skilled laborer. The purpose of this approach is to increase the productivity and buying power of the respective people. And also, to create for the landlocked areas of Eurasia the same infrastructural advantages, which previously only countries, with access to the oceans and the rivers, had.

Path to History's Biggest Boom

This program, which we proposed first in 1991, and about which we held hundreds of conferences all over the world, is being realized in many aspects. For example, the “Sunshine Policy” of the South Korean Government is part of it; the intention of China to develop its western regions is part of it; or the decision of India to integrate and develop its river systems. But what is needed now, is a vision, a comprehensive program, which unites all the different aspects into one Eurasian overall development perspective.

This program will pay for itself; it will pay for itself in the same way, the industrialization of Europe, the United States, or Russia in the 19th Century paid for themselves, in simply increasing the tax base and the buying power of the population over long periods of time. It can be proven with historical examples, that the wealth generated with this approach, far exceeds the volume of the initial credit lines. If we build the Eurasian Land-Bridge, it will lead to the biggest boom in world history.

This is neither market nor planned economy. The concept of physical economy in the tradition of Leibniz, Hamilton, List, Carey, Count Witte, and LaRouche is based on the fact, that the only source of wealth in society is the cognitive power of the individual. It is that quality which uniquely differentiates man from all other creatures: his ability to again and again develop adequate hypotheses about the laws of the physical universe, which lead to scientific progress which, if transformed into technologies and applied in the productive process, leads to an increase in the productivity of the economy. And this in turn, leads to an increase in the living standard of the population.

Therefore, it is in the interest of every government devoted to the common good of its people, to further and nourish these cognitive powers of its children, its youth, and its people in general in the best possible way, because that is at the same time the source of wealth of the society at large.

There is no question that the world faces a severe crisis. But solutions are at hand. And as the Chinese character for “crisis”—which is the same as for “chance”—implies, maybe we can take the coming events as the welcomed opportunity to create a more just and humane world economic order.