

Germany Needs a Vision For Eurasian Development

by Helga Zepp-LaRouche

Here is the presentation of Mrs. Zepp-LaRouche to EIR's Berlin seminar, on June 28. Her speech followed an hour of discussion, sparked by the keynote speech Lyndon LaRouche gave in the morning (see last week's EIR). Mrs. Zepp-LaRouche had recently announced her candidacy for Chancellor of Germany, as head of her party's slate, the Civil Rights Movement Solidarity, or BüSo.

Existential Crisis Facing Germany

I am very happy about the discussion erupting in this way, because I think now we can get into the kind of dialogue, on which obstacles need to be overcome, to actually find a solution out of this crisis. Given the fact that we are here, sitting in Berlin, the capital of Germany, and in three days from now, the question of confidence will be asked by Chancellor Schröder, and then the President will make a decision if there are early elections or not; given the role of Germany in this present world configuration, I wish to address the German situation in particular, both the crisis in Germany, and my view on how to overcome this crisis in German politics.

The problem we face in Germany right now, since unfortunately what Lyn is saying [about impeaching Bush and Cheney] has not yet happened—Cheney and Bush are still there—and therefore, we are faced with the absence of leadership from the United States, on the one side; and, we are faced with the very breathtakingly fast disintegration of Europe, at least in the form of the European Union. And therefore, given the fact that all of this is taking place, in the context of the financial collapse, and the economic collapse, there is a real tendency toward ungovernability in Germany. The German economy is already functioning below breakeven, at least from the standpoint of physical economy. We have officially 5 million, but in reality 9 million, unemployed. That is 3

million more unemployed than in 1933. And we have the annual collapse of more than 40,000 *Mittelstand*, middle-level industries, for the last several years in a row.

This would have been much worse, if we had not compensated the dramatic collapse of the domestic economy by a rather successful increase in the export ratios. Otherwise, the impact would have been much worse.

The big problem is, that the Red-Green coalition is inherently unable to cope with this crisis. The problem started, basically, when the Social Democratic Party went out of government in 1982, with [Helmut] Schmidt going out of government, and when the SPD developed the idea that they had to go into the opposition to retool themselves, basically into a “green” orientation. And that green orientation within the SPD itself, became then also the basis for the Red-Green coalition.

Now, I personally think that Chancellor Schröder has the potential of making abrupt policy changes. He did so in the Federal election in 2002; when he realized in August that he was looking bad in the polls, he very quickly dumped the situation with the Iraq War, and turned the election situation around within four weeks. So, I think he personally does have the leadership quality to make these kinds of policy moves. But, basically, this cannot be done with the present coalition partner, the Greens, because the Greens are blocking any kind of reform which the SPD would need. And, as I said, the other problem is that the SPD itself is so loaded with green ideology, that, with the exception of such people as Dr. [Claus] Noé, whose greetings we heard this morning, the SPD is inherently very badly situated to address the reasons for the economic collapse.

Well, without that green contamination of the SPD, which is a severe problem, the neo-liberal policy of the Agenda 2010

and Hartz IV—which are *complete* atrocities and mean the destruction of the social state as it has developed in Germany since the Bismarck reforms, which Lyn already mentioned—without such green contamination, this would have been completely impossible.

Now, that internal weakness of the SPD, was also the reason why they have not been able to buck the insane Stability Pact of the Maastricht Treaty, and the inability to distinguish between the question of an operational government budget, and capital investment budgets for basic infrastructure and other areas of the common good, and the creation of the framework conditions for productive investment. If that distinction had been made, the current catastrophic collapse of employment could have been avoided.

The real problem, however, is that the opposition parties, the CDU, CSU, and FDP, are far, far worse than anything in the SPD, even if the SPD is pretty rotten. If the SPD has moved away from the Kurt Schumacher/Bad Godesberger tradition, which constituted the Social Democracy as a pro-working-class, pro-social market party, this is even *much* more true for the CDU [Christian Democratic Union], which has completely abandoned the philosophy of Konrad Adenauer, and its Christian social market orientation. The CDU/CSU right now is completely dominated with neo-liberal neo-conservative orientations of the Mont Pelerin Society, and the few proponents of the old social market philosophy have been driven out of the party, or into isolation within the party.

Therefore, the prospect of a Merkel Chancellorship with possibly Stoiber as Foreign Minister, who regards Mr. Sarkozy [new French Interior Minister] as his very dear friend; and a Chancellor Merkel who thinks that the very same Kissinger—who was just characterized by Lyn as a genocidalist, because of his memorandum NSSM 200,¹ from 1974—this would really mean doom and disaster for Germany. For the rest of the parties, the FDP is also a complete disaster, a Mont Pelerin disaster, to be more precise. The Greens are probably politically as good as dead. And the so-called New Left Party, the WASGPDS, or whatever their name will be, has *zero* program to address the economic-financial crisis. The problem with the PDS, is that there are no intellectual thinkers. There is *nobody* approximating the economic competence of a Lenin, or a Rosa Luxemburg, or anything like that, but they have turned into complete pragmatics! I looked for thinkers, and I couldn't find one.

So therefore, if you look at this picture, we face, really, an existential crisis in Germany—a crisis which is not caused by Germany, but which, in the present constellation, Germany is completely unable to deal with from a national sovereign standpoint.

1. National Security Study Memorandum 200, commissioned by Henry Kissinger, said that population growth in selected developing-sector countries constituted a “national security threat” to the United States, which needed their natural resources.



Helga Zepp-LaRouche at the Berlin seminar: “We need people who represent this idea of a just new world economic order, with a passionate love for the idea of an international community of peoples. . . .”

EIRNS/Wolfgang Lillge

The Circumstances of Reunification

Another factor of the situation, is the circumstances of German unification from 1989-90, which happened 16 years ago: that German unification was allowed only by forcing Germany to swallow a poison pill. In 1989-90, I made many speeches in first west and east Germany, and then eastern Europe, then the former Soviet Union—CIS countries—in which I warned, that if they would make the mistake, to impose on a completely bankrupt Communist system, an equally bankrupt free-market-economy system, then this, in a couple years, would lead to a much more dramatic financial collapse—which is exactly what happened. And please remember the Encyclical by Pope John Paul II, *Sollicitudo Rei Socialis*, which he published in 1987, in which he said, that the fact that the Communist system had collapsed should not lead to arrogance on the part of people on the side of the free-market economy, because there were “structures of sin” both in the East and in the West, and one only had to look at the condition of the so-called Third World to see how evil the structures of sin of the Western system were. And if you look at the world today, this Pope has proven to be absolutely on the mark.

Now, this poison pill which Germany was forced to swallow as a price for unification: One poison in it was the forced early European Monetary Union, the fact that the euro replaced the d-mark.

The radical reform policy for the new states in the east was another component of the poison, because it led to complete deindustrialization. And today, in the so-called new states in the east, you have towns and cities where the average age is over 60 years! No young people! Because there are absolutely no job opportunities for the youth.

So, if you look at all of these aspects, with the absolutely astounding economic incompetence of a possible CDU government, if we would go ahead with the present configuration of political forces, we will have, for sure, a social explosion



Bundesbildstelle

The Reichstag in Berlin, during the celebration of German reunification, Oct. 3, 1990. Germany was forced to swallow a “poison pill” as the price for reunification: the policies of globalization and deindustrialization.

in this country of unprecedented dimensions, and therefore, chaos, dictatorship, would be the perspective.

Destruction of Russia and Eastern Europe

Now, another part of the poison pill which Germany was forced to swallow, was the geopolitical destruction of the former Soviet Union and Eastern Europe. The imposition of the unbridled free-market economy, which had various sophisticated names—“reforms,” “Polish model” of Jeffrey Sachs, “shock therapy”—all of these are just euphemisms for the destruction of the economy. And in the case of Russia, these so-called reforms, in a few years, led to the destruction of the Russian economy, leaving Russia with only 30% of its industrial capacity, as compared to what it was in 1991.

The reality was, the economies of the Comecon [Soviet-dominated Council for Mutual Economic Assistance] were not obsolete, at least not from the standpoint of physical economy. Because, if you had taken the economies of the Comecon countries and given them to African countries, they would have been happy to have these economies. They were only obsolete from the standpoint of the competitiveness on the world market.

And therefore, we proposed at the time the so-called “Productive Triangle Paris-Vienna-Berlin” [Figure 1], which was a program to build a network of infrastructure corridors into the east, using the existing industries of Eastern Europe, to build infrastructure—which was the main thing which was neglected by the Communist system of the Soviet Union and

the Comecon—and basically, only after these industries would have been used up, so to speak, by building infrastructure, and then replacing them with Western technologies, then you would have had a real reconstruction program for the East.

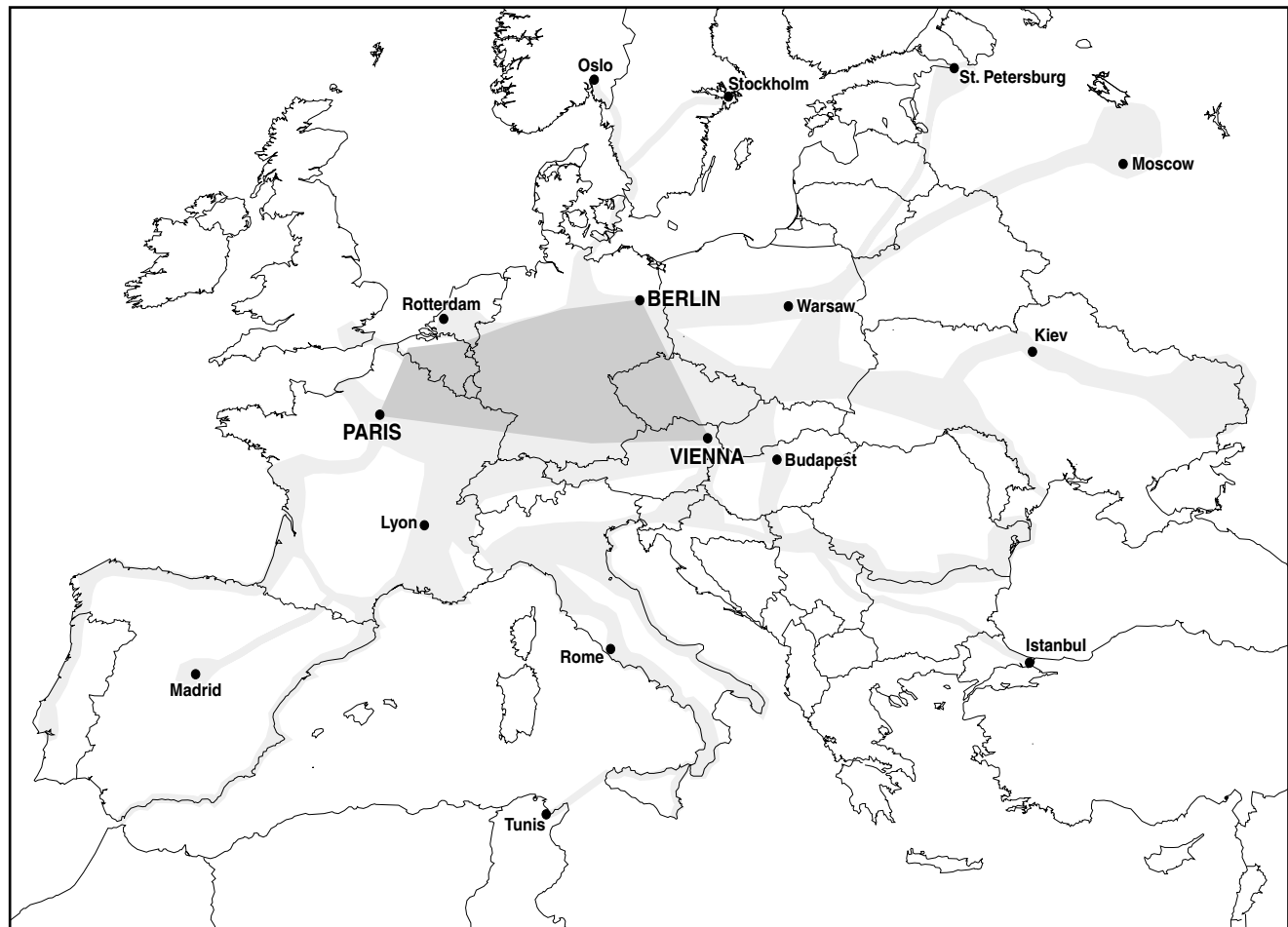
Now, as you know, this was not done. Instead, there was a geopolitical attack: Herrhausen was killed; Rohwedder was killed²; there was a complete blackmail against Germany with Margaret Thatcher’s “Fourth Reich” campaign; with [French President François] Mitterrand demanding the destruction of the d-mark; with the older Bush Administration, the New American Century doctrine, which was at least pronounced by Rumsfeld, Cheney, and such people—all of this was not done.

Nevertheless, when the Soviet Union finally disintegrated in ’91, we enlarged this idea for all of Eurasia, and proposed the Eurasian Land-Bridge, which is the idea of an integrated, high-speed railway system: maglev, highways, waterways, computer stations, and 100 km-wide infrastructure corridors, basically as a single integrated Eurasian *Verkehrswegenetz*, total infrastructure network, to basically

2. Alfred Herrhausen, the chairman of Deutsche Bank, was assassinated on Nov. 30, 1989, as the Berlin Wall was falling. He had advocated a German role in developing Eastern Europe and the Soviet Union. Detlev Rohwedder, the chairman of the Treuhand agency, which was tasked with converting former East Germany’s state-sector industries after the collapse of Communism, had a similar perspective, and was assassinated in 1991. He was replaced with rabid free-market ideologues.

FIGURE 1

The Paris-Berlin-Vienna Productive Triangle



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When the East German Communist system collapsed, Helga Zepp-LaRouche, in collaboration with her husband, Lyndon, advanced the concept of the European “Productive Triangle,” to create a core of high-technology development which would revive the economy of Europe, and then radiate through “spiral arms” into Asia, Africa, and the Mideast.

bring the land-locked areas of Eurasia out of their being land-locked, and give them the same economic significance as the coastal areas of Eurasia would have.

Basically, the idea was, to continue where World War I had interrupted the process of Eurasian integration, with the Trans-Siberian Railway, with the Berlin-Baghdad Railway, and so forth.

If this had been done, instead of the neo-liberal so-called “reforms” (which is better called neo-liberal destruction), the former Comecon countries would have become significant partners, not only for Germany, but for all of Western Europe, and Germany would not face the economic problems it has right now.

For Germany, this is still the key. Why? Why does Germany need Eurasian economic cooperation, to come out of its present crisis? Since Bismarck’s industrial and social reforms, Germany achieved an outstanding living standard. It could afford an excellent health system, an excellent social system. Why? Because, despite the fact that Germany had no significant raw materials, we had basically always a very high ratio of science and technology, and therefore an increase in the productivity of production—and, producing excellent products on a world-class level, 40% of exports; and these two components meant that Germany could be one of the leading economic nations in the world. The source of Germany’s wealth was always this: the focus on infra-

structure, industry, agriculture, as drivers of the economy; and the high export rate of up to 40%.

But through this unbelievable geopolitical stupidity, the great historical chance of 1989 was missed. And instead of putting the East-West relation in Eurasia on a completely new basis of cooperation, and to establish a real peace order for the 21st Century, this was not done. As I said, in the first Bush Administration, they wanted to become a world empire at a moment when there was no normal adversary any more. You had Thatcher's own geopolitical designs; Mitterrand wanted the destruction of the German economy, even if that meant the destruction of France itself!—if you look at the entanglement of these two economies. And there was a common denominator between those European oligarchical tendencies and the U.S. oligarchical tendency, to turn Russia into a Third World country, a raw material producer, to eliminate a competitor on the world market forever.

But by destroying the countries of Eastern Europe and the former Soviet Union, they destroyed the very markets on which the long-term success of German and West European economies would have depended.

The Current Global Context

Okay, we have made this mistake. Now, we are facing exactly the large crash we were warning about in '89-90, and therefore, there is only one opportunity and that is, to put the Eurasian Land-Bridge back on the agenda [Figure 2]. Despite the problems we have heard, I agree with Mr. [Chandrajit] Yadav [of India], that despite the difficulties, there is a very strong motion to put the strategic partnership, Russia-China-India, on the table, and that is a desire which has been accelerated by the occurrence of Sept. 11 and the understanding of many forces in these countries to oppose the idea of a world U.S. empire. And therefore, this Strategic Triangle, even if it's weak and too slow, is becoming a center of gravity for other Asian countries: such as Southeast Asia, South Korea, and potentially even Japan. (Japan is in a very mixed situation: On the one side, they are gripped by the control of the "Washington Consensus." On the other side, Japan is in the same situation as Germany, having no raw materials, and being in absolute dependency on long-term developing markets in Asia.)

The same is true for Germany and Western Europe in general. Europe needs long-term, expanding markets, long-term raw materials supplies, and long-term multi-level trade cooperation. Therefore, unless the Eurasian Land-Bridge is put on the table, as a total infrastructure network *at once*—and what I mean by "at once," is that, rather than building a railway from South Korea to North Korea, building the Messina Bridge, building another bridge from Denmark to Germany; what I think is needed, is the vision of governments to put the Eurasian Land-Bridge on the agenda as one integrated (I only know this word in German) *Eurasia Verkehrswege*

Plan, which has the entire development plan for the next 50 years as a plan!

A Vision for the Future

So that then, each country can start building its part, and that a vision which elevates everybody above the regional conflicts—and, admittedly, Central Asia and all of these regional conflicts, I'm fully aware of. But, what is the problem? It's a lack of economic development! It's poverty! And once people have the vision that there is a perspective of improvement, that there is a level of reason which is higher and more compelling, than all the historical difficulties among the different countries, I'm absolutely certain that the way out can be found.

Therefore, what we need is a vision: to combine the industrial and population centers of Europe with the industrial and population centers of Asia. Because if that is not put on the agenda, there is no recovery for Germany! And I'm a German patriot, and I want to see German recovery.

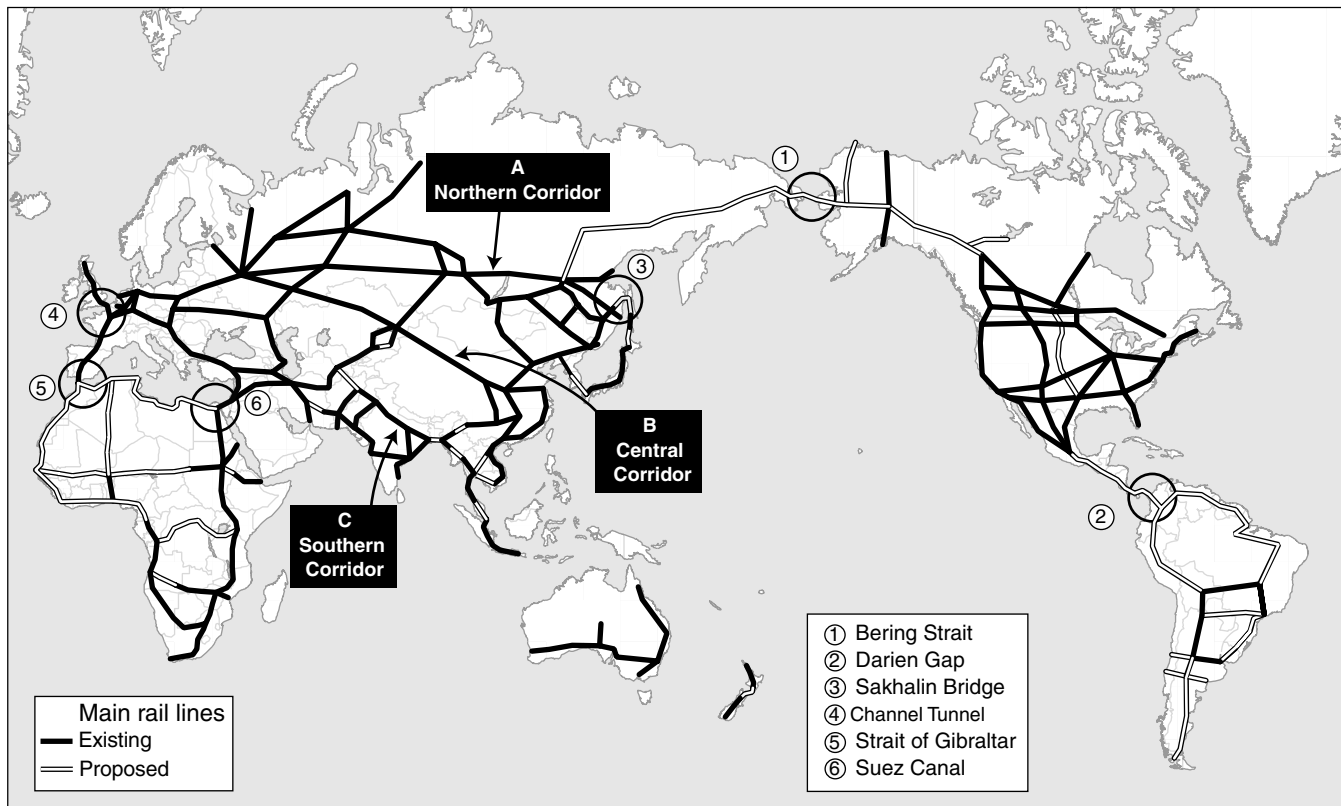
So therefore, what I want to propose is—and I want to put it on the table to all the participants of this seminar—the conducting of an international conference on the Eurasian Land-Bridge involving all Eurasian countries, essentially, on a larger scale, like the big conference which took place in 1996 in Beijing; where we had suggested this to the Chinese government and it took two years until it finally matured, because Sir Leon Brittan didn't like this idea very much. But eventually, in '96, thirty-four countries met in a conference in Beijing and discussed—the title of the conference was, "The Economic Development of the Regions Along the Eurasian Land-Bridge." At that point, the Chinese government declared the realization of the Eurasian Land-Bridge to be its strategic long-term perspective until the year 2010. Now we are in 2005, and there were a lot of obstacles: the Asia crisis of '97, the election of Bush and Cheney, and other such unfortunate developments.

But now, I think, is the time to really use the fact that a lot of people are freaked out—not only people in the United States, but in high levels in banking circles and government circles. They are freaked out! They know this system is finished!

Therefore, I think now is the time to put such a perspective really on the table in a big way. And I mean a *big* way. I don't mean a little conference, a little seminar, but a government-level conference, with live TV transmission in all channels in all participating countries, and the world would change! The world needs nothing more than a vision how to get out of this misery, and we can make a real revolution in the thinking of people.

The fact that the GM crisis, and for the cognoscenti the consequences of the attack of the auto sector crisis on the hedge funds, the *Klumpen-Risiko* [cluster of risks] involving now the mortgage bubble in the United States: This is a golden opportunity, if we don't miss it! Crisis is a chance for—the

FIGURE 2

Proposed World Land-Bridge

Chinese have this character for “crisis” which is the same as the character for “chance.” And I think this is what we have to understand.

Now therefore, I propose the convening of such a conference for a comprehensive Eurasian development program, still to be conducted this year. Now normally, people say, such conferences need years and years for preparation, but I think we should make a real crash program, and say, “No. We will not accept that the world is crashing towards the wall, and all this ends in a big disaster.” But if there would be war, the Bundeswehr could build a bridge over the Rhine in 45 minutes. And I think if you take that approach to build such a conference, it can be done in the Fall.

My Election Campaign

As some of you know, I recently announced my campaign for the Chancellor’s office in the upcoming German election, if there actually will be such elections. And this I will do exactly on this program for a New Bretton Woods conference and the Eurasian Land-Bridge. Now nobody in their right mind should ridicule my campaign as being that of a represen-

tative of a so-called minor party, because I do represent a real alternative for this country, for the survival of Germany, and all other major parties mean major catastrophes, and nobody should prefer that over a real alternative.

I recognize that the initiative for the solution of such a change has to come from the United States, as it already has been stated by my direct connection to this country. But, a United States which has returned to the tradition of Franklin D. Roosevelt, such a United States still needs partners from among its allies, and I think the partnership with Germany, therefore, will be key. If the United States will have successfully freed itself from the doomed Bush-Cheney policies, even before the next elections, then Europe and Eurasia must develop the orientation of cooperating with the United States and gaining U.S. support, not only for the development of the Eurasian Land-Bridge, but for the expansion of that Eurasian Land-Bridge into Africa and the Americas. Because, what the world really needs is a global reconstruction of the world economy, based on the cooperation among perfectly sovereign nation-states, united through the common aim of a just new world economic order.

My campaign for Chancellor has the purpose to catalyze the combination of forces in Germany, and by implication in all of Europe, to represent German and European participation in such a Eurasian-based new world economic order.

The Cultural Dimension of Change

And I want to bring in, shortly, one other aspect, and that is, the cultural dimension of this perspective: Because I think globalization, which is just another word for Anglo-American world empire, has led to a situation where maybe 5%, but maybe only 1%, of the people are stinking rich. They have all the privileges they want. But, 80% or more of the world population, in the so-called Third World, but also in countries like the United States, Germany, or others, is collapsing into poverty and being deprived of the most fundamental human rights. Privatization is a new word for feudalism.

Therefore, the new world economic order must be based on the idea, to bring the political order in cohesion with, as our friends in India would say, “the cosmic order,” or as we in Europe would say, “the order of creation.” And we must bring in more fundamental metaphysical conceptions in these discussions, which is why I like to refer to my good friend Nicolaus of Cusa, who had the idea that each human being, and each nation, is actually a microcosm, and that concordance in the macrocosm can only exist if you have the maximum development of all microcosms. And Lyn already spoke about that, that the development of the other microcosm, the other nation, must be the self-interest of each microcosm and vice versa, of each nation and vice versa.

And we must develop a world order based on a new Peace of Westphalia Treaty with a division of labor, in which we will have a human world order, hopefully even for us to see. Because, I think the present condition of the world is just not acceptable. What we need for that, is—and I appeal to all of you sitting in this room: We need people who represent this idea of a just new world economic order, with a *passionate love* for the idea of an international community of peoples—which is what Nicolaus of Cusa had already in the 15th Century, which Leibniz had, and I think which was expressed by John Quincy Adams, and the idea that the world must become a community of principles based on the common idea of mankind.

We not only have to correct the economic errors of the last 40 years, and the last 16 years since German unification, but in 1990, we produced a special edition of our cultural magazine in Germany, *Ibykus*, for the occasion of the German unification. And there, we emphatically made the point that the perspective of economic development has to be combined with a cultural and moral Renaissance. For Germany, that means we must evoke a Renaissance of the humanist spirit of the German Classics, especially because we have moved so far away in the last years from these high ideals, this historical chance had to be used, if one wanted to have the construction of Germany based on the highest principles of statecraft and

republican virtues.

We wrote at that point: “History has given us a *Sternstunde der Menschheit*, a golden opportunity that comes once in a century if you are lucky. But the great moment could only find a great people, if one could positively turn the peaceful revolution into a cultural and moral renaissance, and that, in all of Germany.”

Now, it was already mentioned by Lyn, that the opposite was done, that, rather than reviving the Classical tradition of Germany, the evil influence of the Congress for Cultural Freedom of the West, was superimposed on the East, and has led to an even more socially explosive situation there. But we have the opportunity in Germany, as in all other countries of the Eurasian Land-Bridge, to remember our great thinkers and poets, and look at ourselves as if in the mirror of those minds, where we stand today before the greatness of their thinking.

Now, Schiller wrote in his famous short poems, the *Xenien*, that only in a beautiful mind, the totality is reflected. And when the individual is not developed, then the state can’t be either. But, if the individual progresses, the state will do the same.

So therefore, I make an impassioned appeal to combine this with the idea of a Dialogue of Cultures, to evoke the best traditions of all our nations, and I think we will have a very bright future. And I think that the fact that we have a growing youth movement of young people who are not leaving this world to the values of the old generations which caused this crisis, is the biggest hope for optimism. And that’s what I wanted to say.

Mario Lettieri

Parliaments Should Act on These Issues

Hon. Mario Lettieri is a member of the Italian Chamber of Deputies. He delivered these remarks to the Berlin seminar on the morning of June 28, after Lyndon LaRouche’s keynote (published in last week’s EIR), and the questions and discussion that followed it. Lettieri spoke in Italian, with consecutive translation. The moderator was Michael Liebig.

First of all, I’d like to thank you for the invitation to take part in this very important meeting.

Following the very wide-ranging and profound presentation by Professor LaRouche, I’ve had to change my plans for

my intervention, and shift in a different direction. The themes that have been introduced are extremely relevant, and they require of intellectuals and professionals in every part of the world—but particularly in the United States—a particular commitment, in order to solve the problems that have been identified.

As a Member of Parliament, and on the invitation of Paolo Raimondi, whom I'd like to greet here, as you probably know, I proposed to the Parliament of my country, Italy, a proposal for the reform of the financial and monetary system. The Parliament in Rome, on April 6, approved the proposal that I had presented, and it committed itself as well, to appeal to the government to become active internationally, in order to build a new financial architecture, in order to prevent future speculative bubbles, and also to prevent future financial crash scenarios. This proposal also called on the government to sustain the real economy, as Mr. LaRouche developed the idea today, and therefore to take all necessary initiatives to convoke an international conference at the level of the heads of state and governments, in order to define a new, and more just, world economic and monetary system.

My initiative was actually prompted by the scandals in Italy of Parmalat and Cirio, which you've heard about, as well as the very big scandal in the United States over Enron, and of course the Argentine bond issue, where, for the first time, a sovereign state was defaulting. I believe that these things are merely the tip of the iceberg, of a much greater, much graver, and larger phenomenon, which of course Mr. LaRouche has developed today, but which is not taken into consideration adequately, generally. In every country, particularly in the developed countries, we see more and more, every day, the negative effects of the financialization of the economy, the transformation of economic processes into financial processes; the concentration of power in very few hands; the lack of equality in single countries, and among various countries, and of course, even the lack of equality among continents—here, I'm thinking of the case of Africa, which was also cited.

I won't speak of the situation in Africa. However, I must say, I live the crisis of Africa as a great drama, a great personal drama. But, I will not speak of the disease, the war, and social dislocation.

Disastrous Effects of Outsourcing

What I do want to do, is to stress one aspect that was raised by Mr. LaRouche: And that is, the outsourcing of production out of the United States and Europe, because this is also hitting Italy quite hard, right now. It has led to the impoverishment of the social structures, and unemployment, as well as a chain-effect of the following type: Instead of having investment going from northern Italy, which is relatively developed, into southern Italy, where it is greatly required, investment is going from northern Italy to Romania, to Poland, to Slovenia, to Tunisia, and to Turkey. And I can already anticipate that



EIRNS/Wolfgang Lillge

Lyndon LaRouche (left) and Hon. Mario Lettieri at the Berlin seminar. Lettieri made an impassioned appeal to the audience and to other parliamentarians: "I want to emphasize the dramatic situation. If we do not address these issues at the required level, there's the risk that the new generations will find themselves in a dark age."

tomorrow, when the conditions are improved in these various countries where investment is being made, there will be the tendency to look for other areas where one can outsource production, where the wage levels will be even lower.

As is known, many negative effects have been seen in the countries of the West, deriving from the imports of cheap products, from China for example, where wage levels are much lower and therefore products can be produced and sold at much lower prices. Entire economic sectors are being hit by these cheap imports—for example, the textile sector. In Italy, the textile sector used to be a very prominent one, very productive. But now, it has fallen into a serious crisis, not only in Tuscany, but also in the southern part of the country. So the problems are not at all local, and do not just affect a single country, but they are much more complex, and affect the entire globe.

From what I've heard, it's very clear that the international institutions, thus far, like the World Bank, the IMF, the World Trade Organization, as well as the G-8, have not demonstrated an adequate understanding of the complexity of the problems. And as Mr. LaRouche presented it, it also appears to be the case that these governments themselves are either unaware of this fact, or are influenced by the fact of this so-called "bestial capitalism," and the big financial banking systems that actually are controlling the economies. These are not the great industrial systems that we had in the past, which were extremely productive. But, we're dealing here with banking systems, financial systems which are based on purely speculative activities, whereby huge masses of money, of funds, are transferred from one place to another within a few minutes,

bringing great profits to those who invest them, but impoverishing entire countries.

Parameters for a New Bretton Woods

Therefore, we absolutely have to review the entire financial and economic system, and the policy of development. I hope that the United Nations and the EU will play a role in this concern. Mr. LaRouche has displayed a not positive predisposition to the European Union, and here I must dissent: Because, I believe that the EU—which was recently hit very hard by the “No” vote in France and the Netherlands on the Constitution—I believe that the EU still can play a role as if a single state, in the process of creating a new and more just monetary and financial system internationally.

There are several new facts that must be registered worldwide, which are positive. For example, I see a process of democratization in countries of Latin America, and also in those Eastern European countries or those in the former sphere of the Soviet Union, and I would like to greet the representatives of these countries here, today. Another important fact to note, is the new role of Asian countries, like China, India, and Korea, in the world economy. The United States is also apparently beginning to note their presence, at least on the market, and these countries will have to be given a larger political weight in world politics. And also, in my view, they must be brought into the process of creation of a new monetary and financial system worldwide.

Well, it's very obvious, that when we're talking about building a new international financial-monetary system, a New Bretton Woods, we cannot exclude great countries like China, India, and others which have an extremely important demographic weight, as well as an economic function in the world economy. This also goes for the countries which were formerly in the sphere of the Soviet Union.

Freedom and the Role of the State

Now, there are just a couple of problems I would like to raise, in conclusion. You have stressed the role of the state in your remarks, which has raised a couple of problems—in fact, I saw, in some of the questions asked here, that this issue can be problematic. These questions have stimulated my question now: How can you link the freedom of the economy, the freedom of a company to move as it will, economically, in order to return to a productive economy, where it produces tangible wealth, not speculation, and also generates employment—how can you link this freedom of the economy, free economy, to the role of the state? Because I have seen how an excessive role of the state, for example in Eastern Europe, can lead to a degeneration of the economy. And I think we have to identify a third way, in which we can guarantee that a free economy can coexist with a strong state.

In practice, we have many weak governments, which are incapable of generating investments for productive activities. But, on the other hand, we also have governments which are

subjected to the control of powerful international financial institutions, and they have acted in such a way as to produce the scandalous cases that I mentioned before—Parmalat, Cirio, Enron. These are brutes, which managed to escape the rules of the game. They managed to avert the regulations that are established in any one country. And there are too many big financial processes, and groups, which are able to evade any kind of regulation. What we need is regulation on a worldwide scale. However, we have not even been able to reach agreement at the level of the European Union. And even within Italy, there is disagreement still on the question of the reform of the savings system. At the EU level, we need, absolutely, regulation, in order to prevent further scandals, and I have spoken about the possibility of introducing a tax, something like the Tobin tax, which would be a way of regulating and at least identifying speculative flows.

Now, before I finish—and thank you for your patience, listening to these disconnected thoughts—I want to make an appeal: And that is, that everyone has to make a very serious effort, at the level of every parliament, as well, to deal with these issues. It has to be said that the individual parliamentarian often doesn't have the time, or is not able for other reasons, to reflect on this *very dramatic* situation we are living through—and I want to emphasize the *dramatic situation*. If we do not address these issues at the required level, there's the risk that the new generations will find themselves in a dark age. So, I am calling for a common commitment, which right now is not there at the level of most institutions. We must call on all, to fight for the common good, and also with a good dose of utopian outlook for a better world.

Thank you.

LaRouche Responds on the Question of Freedom

Liebig: Once again, thank you Dr. Lettieri. And, as you raised a number of very significant questions to Mr. LaRouche directly, I would propose, in concluding this morning's session, that Lyn directly responds.

LaRouche: Let me start with one thing, an observation on this question of freedom, as he referred to it in a number of points in the report.

Some years ago, I saw the opportunity of, or the challenge of meeting the potential of a youth movement inside the United States and elsewhere. Now, the need for the youth movement comes largely from what happened in Western Europe and the United States under Harry Truman and Co.—or, under Henry B. Luce and Co.—in the creation of a fascist organization called the Congress for Cultural Freedom, which I've called the Congress for Cultural Fornication.

This institution, which presumably was to educate people in the United States, in particular, Western Europe, and to

penetrate Eastern Europe, on behalf of democracy, actually was one of the greatest insults to freedom ever concocted. It was based on ideas typified by those of Bertholt Brecht, a very evil person, a reputed leftist, who imposed a kind of fascism, which was called “liberalism,” in the effort to try to destroy those elements of European culture, including in the United States, which had been responsible for what these people objected to—people like Theodor Adorno, Horkheimer, Arendt, who were close friends of that Nazi Martin Heidegger.

And therefore, what’s happened is, there was a curse on creativity, actual creativity, which I observed. I came out of World War II, you know, as some people did. And I came back to the United States which I’d left when it was under Roosevelt, to a United States under Truman. And I found that the people who were actually responsible for putting Hitler into power, originally—some of whom objected to him when he turned westward in his attacks, rather than eastward—had gone back, at Roosevelt’s death, to try to take German troops out of prison camps and send them against the Soviet Union, then. And these people, under Churchill and under Truman, had taken over. And these were the people who had dropped the two bombs, unnecessarily, on Hiroshima and Nagasaki, for no good purpose. To simply terrify the world, and get a nuclear war going.

The Post-War Cultural Paradigm-Shift

Now, what had happened is, the generation which was born during the war or immediately afterward, was educated under the impact, in the United States, and Europe, of the Congress for Cultural Freedom, or the Congress for Cultural Degeneration. Now, these young people had to prove they were anti-communist. They were the perfect sophists—they had no morality whatsoever. This was true in Western Europe; this was especially true in France. You see the cultural effects of the Congress for Cultural Freedom.

So, we produced a generation which became known as the ’68ers, which, under the stress of the Missile Crisis of 1962, under the stress of the opening of the war in Indo-China by the United States, went crazy, and became known as the ’68ers. And they were associated with what was called a cultural paradigm-shift. The essential feature, the destructive feature of this, was the *denial of the existence of rational creativity*. The epitome of this degeneration is the Greenie phenomenon in Germany today, the anti-nuclear phenomenon. So, the emphasis on irrationality, of this particular type, is what has been responsible, culturally, for a transformation of the economies of the United States, Western Europe, and elsewhere, from economies, which with all their defects, political defects, were net producers and net growers, up into the middle of the 1960s, and somewhat beyond; into societies which were self-inflicted processes of degeneration, of economic and moral degeneration, which is what we have today.

Now, in 1989, at the time that the so-called Berlin Wall

fell, my generation was still in a leading position in governmental and related power, typified by the Alfred Herrhausen who was murdered in that year, by people who didn’t want Germany to survive, at least in a progressive form. And what we’ve had since then, is the emergence of a generation, the so-called Baby-Boomer generation, which took over the United States and Europe. These were the people who by and large, were corrupted by the pure, systemic sophistry of the Congress for Cultural Freedom.

You can not get a decent performance of any Classical drama in Germany or in Austria today. You can’t do it! The actors don’t exist. The Classical European culture has been destroyed. In scientific education, scientific education has been virtually destroyed, reduced to *textbook* education. The process of discovery of ideas, is gone. It is not in the educational system. If I want an intelligent person in science, I look for someone who is in their late 70s, or 80s, as in the former Soviet Union today.

So, the past 15 years, since the fall of the Wall, has been period of accelerated cultural degeneration, as the Baby-Boomer generation took over from the preceding generation.

A Challenge to the Young Generation

The result is, that the young people today—young adults 18 to 25—do not hate their parents, except in some cases, but the healthy ones don’t hate their parents; they have contempt for them. They have contempt for them because they look at them as people who are waiting to die, without being aware of it; who are living out lifestyles, not pursuing goals; who are hostile to creativity; who are interested in protecting their prejudices, their acquired habits; not open.

Now, what I found, about 1999, this development within the United States became obvious, and also was reflected in Europe, at about the same time. We began to get a Youth Movement in the United States. And I, understanding these things, I kept the Youth Movement separate from the adult part of the organization, the older adult part of the organization; because the older adults hated what the youth represented, because they represented a threat to the lifestyle culture of the Baby-Boomer generation, which is a product of demoralization—this process.

Now, what we’ve got, is the following: I set two standards for the self-education—and it’s largely self-education—of these youth. Standard number one: Gauss. Gauss’s 1799 attack on d’Alembert, Euler, and Lagrange. So this worked. This meant going back to Classical Greece, to understand the origin of these ideas of science which were modern ideas of modern science. This meant going to Classical culture. And we used things like the Bach *Jesu, meine Freude*, and also things like the Mozart *Ave Verum Corpus*, as programs which are used by the youth, in a self-education program.

Now, as a result, we have a young generation, which, after several years of this, have actually become proficient in understanding concepts such as some of those of Riemann,

and similar people, which are incomprehensible to people with professorships in science, in many universities today.

Freedom and Creativity

The difference is very simple: These young people have concentrated on the creative processes of mind. The creative processes of mind are the definition of freedom. The ability of a human being to distinguish himself from a monkey, which some Baby-Boomers have trouble doing, is the problem. And therefore, the Baby-Boomer generation tends to be oppressive toward the younger generation, because they're trying to cling to the lifestyle, which is their reaction formation to the impact of the Congress for Cultural Freedom on the culture of Western Europe, of Central Europe, and the Americas.

What has happened, is you have some of us, who come from a somewhat younger Baby-Boomer generation, who are distinct, who have not shared this corruption. This includes a significant number of people who, by a selective process, have risen to positions of importance in the U.S. government—especially in the Senate and some of the professions of the Executive branch. They still cling to a knowledgeable understanding of the cultural heritage of the United States, and are responsive to it.

So, the question of freedom, today, must not be—as the Professor just indicated—must not be looked at as a problem of a system of government, inherently. It's a problem of the way in which a system of government *has been used*. Because, if we have a society which is oriented to promoting, in educational systems, in forms of employment, to laughing at the Greenies as being a disease, and laughing at them so we won't kill them; ridiculing them, because we don't want to kill them, because they are hateful people—. They have been destroying our culture. They have been destroying our civilization. The denial of nuclear energy, in Europe and other parts of the world, *is a crime against humanity!* The denial of technological progress, *is a crime against humanity*. These ideas which were spread under the influence of the Congress for Cultural Freedom, have been the oppression.

If we get rid of that, and if we go back to the ideas of promoting individual creativity, and the right of all individual young people—children and others—to be educated in a way which *promotes* their creativity, which gives freedom to the expression of their creativity, then, you will not have an oppressive society. The oppression in society, is not a systemic one. The problem does not lie with the systems of government, or the systems of the state: it lies with the way the systems of the government and the state have been *abused*, under the influence of this process, which was set into motion by those such as Churchill, Bertrand Russell, Truman, and so forth, who launched the Cold War, as it came to be known. And this kind of cultural sophistry, the sophistry which has destroyed cultures in the past, *has corrupted the people themselves*. And the only correction for corruption of the people, is to inspire them to discover the true humanity in themselves.

And I find that the work of these young people does that. I find that, when people are inspired by hope, that their tendency for freedom is increased; their respect for freedom is increased. When you try to find a solution in *making the rules*—always *making the rules*—the making of the rules by those who make the rules becomes a form of oppression. And therefore, what the Professor said, is extremely important.

But you have to understand the source of the disease, and the cure. The cure of the disease, is to promote creativity among our young people, so that people in the 18 to 25 age-group, which is the transition from juvenile ages into adult ages, adulthood, *this is the crucial period*: If we produce, *en masse*, young people who are inspired to be creative, who like creativity, who enjoy Classical culture and what it represents; who enjoy scientific discovery and what it represents—not learning from a textbook! but *re-enacting the act of discovery*: If we do that, then we create a people who are characteristic of freedom.

We have an example, right here in Germany. You had a terrible situation in Germany, or an oppressive situation, in the middle of the 18th Century. Into this, came people such as Lessing, and Moses Mendelssohn. And they started a Classical revolution in Germany, which spread from Germany, back into England. Shakespeare didn't exist in England in the 18th Century, until Lessing discovered him—in Germany—and revived him for the world.

And thus we found, that Classical periods, periods of Classical revolution, periods of florescence of creative thinking, such as the 15th-Century Renaissance, centered on Florence, these kinds of periods are the periods which produce the idea of freedom, and induce the *practice* of freedom. And the problem is, not so much the imposition of forms of society which are unfree, but the allowing of ourselves to become subjugated to the stultifying effect of dead ideology, of a hatred and estrangement from creativity. Whenever people become creative, and are inspired by their own creativity, they tend to revolt, as they have in all periods of Classical culture in European history. And other parts of history: Take for example, the great Arab Renaissance, which occurred in what is called today Iraq, under people like al-Farabi and so forth, others. This Classical Renaissance inspired a culture!

The same thing as happened in the European Renaissance. It happened in Greece: When Greece was in its bad state, the Pythagoreans and Solon and people of that type, and in a bad period, people like Plato, inspired a Classical revolution which reverberates in the world, still today, in echoes.

So, the key thing, here, on these questions: If we organize society around the idea of scientific and cultural creativity, if we inspire ourselves by a devotion, not to competition, a Hobbesian competition, but inspire ourselves by a commitment to find the advantage of the other nation, the other people—"What do they need, from us?" If we all concentrate on what the other nation needs from us, we shall get along quite nicely.