
Helga Zepp-LaRouche in Vienna

A concrete proposal for solving the collapse of the world economy

Helga Zepp-LaRouche, the president of the Schiller Institute in Germany, addressed the Conference on a More Democratic United Nations in Vienna, Austria on Sept. 18. Organized by the International Progress Organization (IPO), some 120 delegates of varied political colorations met for three days of discussions. The common denominator of the participants was opposition to the United Nations being taken hostage by the Permanent Five members of the Security Council—i.e., as the Soviet Union has de facto ceased to exist, primarily the United States—and opposition to the Gulf war.

Mrs. LaRouche called for the convening of a conference of governments and Non-Governmental Organizations on the subject of a True Fourth Development Decade (see last week's EIR for the text of the Schiller Institute's proposal to this effect). After her presentation, it was suggested that she introduce a resolution calling for such a conference. About one-third of the representatives voted for it—not enough to pass, but a good sign of the potential for such a call.

The following is the full text of her speech.

The consequences of the world economic crisis have reached unbearable dimensions for the overwhelming majority of humanity. Most people in Africa, Asia, Latin America, even China, the former Soviet Union, and Eastern Europe, in fact also the poor of the United States, live under conditions of inhuman poverty and suffer hunger and inadequate health care and housing.

This massive deficit in provisioning the human population living today on the planet, is the result of the complete bankruptcy of the international monetary system in existence since Bretton Woods, and with it, the International Monetary Fund (IMF), the World Bank, and other similar institutions. The breakdown of the Bretton Woods system began with the 1967 crisis of the British pound and developed further with the decoupling of the dollar from the gold standard in 1971 and the failure of the Azores conference of 1972. Since this time, there is, de facto, no longer a coherent international monetary system and it has only been sustained up to now through deregulation of the banking system and speculative bubbles, as the Nobel Prize winner Maurice Allais recently emphasized.

In order to keep the defunct Anglo-American banking system alive under these conditions, the policy of the IMF,

the World Bank, and the General Agreement on Tariffs and Trade (GATT) has been, especially since the middle of the 1970s, a ruthless primitive accumulation from the developing countries, which have been cut off from development possibilities by the conditionalities of the IMF. Today it is provable that there is a direct connection between the poverty thus created and the spreading of old and new epidemics, of which cholera and AIDS are only the tip of the iceberg. The current cholera epidemic in Latin America is the direct consequence of lack of investment in the health sector dictated by the IMF. The black and Hispanic ghettos of the United States, with HIV infection rates up to 25%, are almost at the levels of the poor regions of the Southern Hemisphere.

The guilt for this catastrophic situation lies not only with the fully incompetent finance and economic policy of the leading institutions. The Anglo-American establishment has pursued a racist and neo-malthusian policy which has already unleashed genocide on a scale 100 times larger than Hitler. Already two years ago, [Egyptian] President Mubarak stated that the IMF is guilty for 512 million deaths in the developing sector since 1980. Recently publicized, previously classified United States National Security Council documents, produced between 1974 and 1977 under the direction of Henry Kissinger and Brent Scowcroft, dictate that the neo-malthusian policy of population reduction in the so-called Third World is the official policy of the United States. In these documents, supporters of the "New World Economic Order" are accused of having raised "excessive optimism" among the people of the Third World, and thus encouraged population growth which is declared to be a threat to the national security of the United States. The implicit premise of these documents is the right of the United States to worldwide control of all raw materials.

The most explicit of these documents was the "National Security Study Memorandum 200," in which, not accidentally, the 13 developing countries targeted for radical population reduction programs, today, almost 20 years later, have become the chief victims of George Bush's "new world order."

The collapse of the Soviet Empire means the full discrediting of collectivist communism and the economic theories of Karl Marx. But, in the same way, the depression in the Anglo-American sector, the disastrous conditions in the developing

world, and the devastating and predictable results of applying the so-called free market policy in the reform countries of Eastern Europe, prove that liberal capitalism and with it the economic theories of Adam Smith are also bankrupt.

Fortunately, the peaceful revolutions in Eastern Europe two years ago, and most recently in the former Soviet Union, show that the will for freedom in the population is in the end stronger than the darkest tyranny. Thus, the time has now come to end the dictatorship of the new world order, such as we have seen it in the votes of the United Nations Security Council for the Gulf war, as seen in the decades-long non-representation of the majority of humanity by United States institutions, like the IMF and World Bank.

Toward a community of principle

The historic moment has now come in which a just, new world economic order can be realized, rejecting all forms of imperialism, and creating a community of principle where the sovereign rights of all nations on this planet are recognized.

If the United Nations is to do justice to its responsibility as a forum for understanding among nations and defender of human rights of all people on this planet, then it must reflect the interests of the community of principle among peoples. It is thus necessary that the members of the United Nations, as well as the associated Non-Governmental Organizations, confronted with the devastating crisis in the world, should call for the convening of an immediate emergency conference for the realization of a True Fourth Development Decade.

A just order of peace in the world, a stated goal of the United Nations for which the emergency conference must make a start, cannot be based on heteronomic, incidental rules, but must be based on the idea rooted in natural law of the inalienable rights of all people. These rights include not only those obvious rights to life, nutrition, housing, medical care, and such things, but also the right of all individuals to develop the creative potentials in them to the fullest, in order to make the largest possible contribution to the development of their nation and humanity as a whole.

The fulfillment of these challenges must be the highest priority of the newly to-be-created world economic system. The bankrupt Bretton Woods system, and all the institutions associated with it such as the IMF, World Bank, GATT, etc., must be abolished and replaced with a new world financial and monetary system. Included must be a global reorganization of the debt, especially for the developing sector, as well as the creating of new credit mechanisms which on the one side respect the criteria of national sovereignty and otherwise are strictly oriented to productive investments.

The new international monetary system should be based on the traditional economic theories whose application led to all known successful industrial revolutions, that is, the tradition of physical economy of Leibniz, Alexander Hamilton, Friedrich List, and the Careys, and further developed for our times by the American economist Lyndon LaRouche.



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Because of the extraordinarily acute situation in many nations, it is necessary already during the preparations concerning the reorganization of the world economic system, to create a special Working Committee which can coordinate implementation of long planned regional infrastructure projects, as well as being responsible for the large-scale aid programs for the most severely suffering of the world.

The coordination committee, in its preparations for implementation, would commence with the following exemplary development programs:

- 1) A Euro-Asian infrastructure program from Brest to Vladivostok, starting from the "Productive Triangle Paris-Berlin-Vienna" as a precondition for the development of a "locomotive for the world economy."
- 2) The "Oasis Plan" for the development of water production and infrastructure in the Gulf and Middle East as precondition for a permanent peace solution.
- 3) An all-African infrastructure and development program, including a trans-African railway system and extensive irrigation systems.
- 4) An Ibero-American integration program, including the construction of waterways and high-speed rail systems.
- 5) Different infrastructure projects for the development of the Pacific and Indian Ocean basin and different programs for the management of water.

The justification for existence of the United Nations as an institution will be measured by whether it is able to undertake the necessary legal changes in the international economic order that are the precondition for the survival of its member nations.