

New Bretton Woods, Land-Bridge, must replace bankrupt IMF system

by Helga Zepp LaRouche

The following speech was delivered at Riverside Church in New York City on April 5, the 30th anniversary of Martin Luther King's call to end the war in Vietnam.

The main focus of my remarks will be the ongoing financial crash, which is reaching a totally new proportion. We are actually at the beginning of the disintegration, and soon, the danger of evaporation of the present financial system. And, I will underline that the only way the world has out of this crisis, is the global reconstruction, the implementation of all of these programs combined, as a global reconstruction of the world economy.

I want to start with a different issue, which is very disturbing. And I hope that you will not leave this room today without being utterly disturbed yourself, and burning with the desire to do whatever is in your power to remedy this. Because, what we know has been going on for some time, is now out in the public: namely, the leading German economic and daily newspaper *Frankfurter Allgemeine Zeitung*, today has the story, officially now from Unicef, which we have known before, from all our friends from different countries in Africa, that presently 1.4 million refugees are in immediate mortal danger in Zaire, in Burundi, and in Tanzania. And, what is even more horrible to imagine—but I really want to put it in your hearts, that you feel the pain—is that, of these people, 700,000 are children! Alone in eastern Zaire, according to Unicef, there are 460,000 children who are about to die. These children have absolutely nothing; they are starving, they have no parents, because their parents have been killed already. They are sitting in the woods, they are lying along the streets, they are dying. You have corpses of little bodies along the roads, over and over. Already now, in the last months, 1 million children under the age of one year died, in this.

The estimates are that in the last months, 1 to 2 million refugees have already died. I really want you to get upset about this. American TV shows these pictures, but I was just in Germany about ten days ago, and they showed these pictures on the TV screen, where you saw these people, mainly women and children, because many of the men have been systematically eliminated already. And you saw these children with these eyes, looking at you. I cannot forget it. The cheeks are completely fallen in; the eyes are staring, like out

of a little skeleton. These children are probably dead already by now. The world *knows* this. The world is watching it.

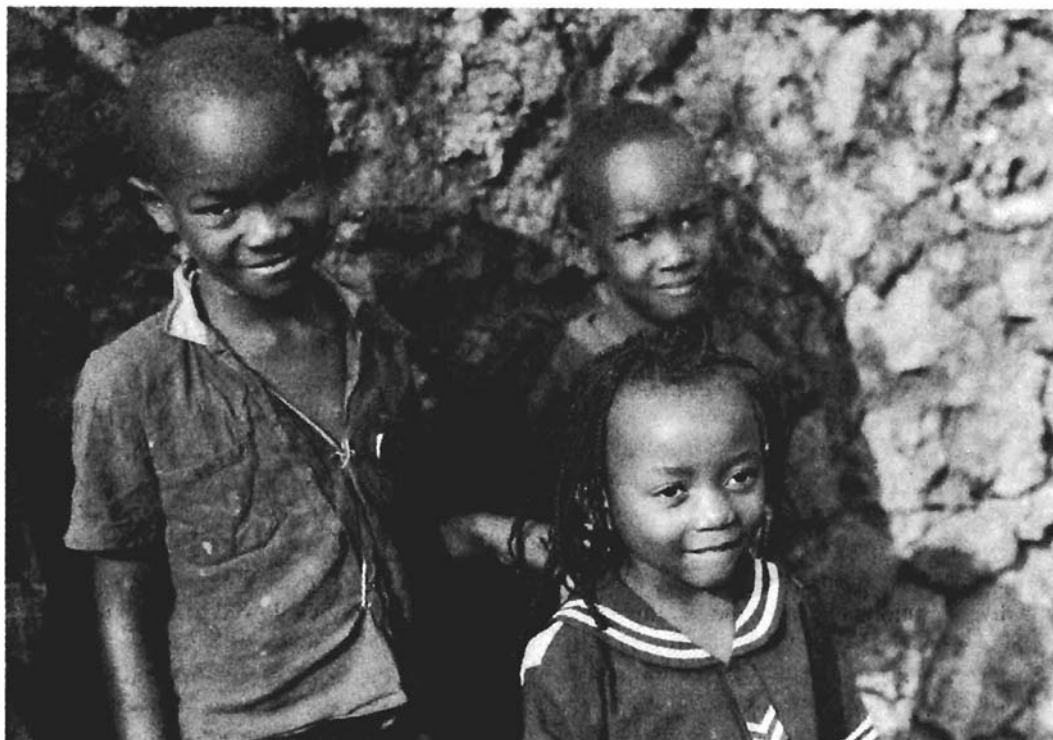
Right now, there is a U.S. amphibious assault ship, the *USS Nassau*, off the coast of Africa nearby, with only one aim: to evacuate American nationals out of Zaire. There is no word of a military mission to save these refugees. I think this is a scandal which cannot be allowed to continue. I am appealing to you, and we will have two more speakers, the former President of Uganda, Godfrey Binaisa, and Linda de Hoyos, who is an expert on Africa, who will give you more facts about this. But I want to urge you: Join a movement to stop that! Because there is a U.S. involvement. The world is watching this. Didn't we say, 50 years ago, "Never again!"? We watched in Bosnia. The world was sitting there for four years. And now, it is happening again.

A British-backed war of aggression

There is no question, that the aim of [Ugandan President Yoweri] Museveni and [Laurent] Kabila, who have conducted a war of aggression, with Ugandan troops, on behalf of the British—Ugandan forces made the attack into Zaire, including [forces under Defense Minister Paul] Kagame and [coup leader Pierre] Buyoya, from Rwanda and Burundi. But there was a threefold foreign invasion into Zaire. And then, you had Kabila, who is an old mercenary, about whom Che Guevara, who was no good himself, said that he was the lowest person, a complete criminal. Kabila is a complete agent and puppet of Museveni, and Museveni is nothing but a puppet of the British Commonwealth forces. They are responsible for this. And I can assure you, that every government in the world knows this.

What our friends from the region told us—in the beginning, you swallow when you hear it, but then, when you see that this is happening, over weeks and weeks and weeks, there is no question that this is the design: They want to make the Hutus extinct. They want to have ethnic cleansing, the same thing that the Serbians did in the Balkans. They want to get rid of every living Hutu, and basically establish a Tutsi Empire, of that particular Tutsi clique, which also does not represent the Tutsis in general.

I want to get you really upset. I don't say that President Clinton condones this. But unfortunately, all our friends from



Rwandan refugees in Goma, Zaire, 1994. Today, an estimated 1.4 million refugees are facing death in Zaire, Burundi, and Tanzania, and of these, fully 700,000 are children. "The world is watching this. Didn't we say, 50 years ago, 'Never again!?' We watched in Bosnia. The world was sitting there for four years. And now, it is happening again."

the region tell us, that there is U.S. involvement. We are appealing to President Clinton, and I would suggest that out of this meeting, we commission some people to draw up a resolution, to make an appeal to President Clinton to clear this mess up. First of all, today, the *Woche*, a magazine in Germany published in Hamburg, has a long background article, in which they go over what is now public knowledge to everybody in Europe, because it was published repeatedly in *Le Monde*, *Le Figaro*, and the German press—that Kabila was trained by the CIA. That the reason why the Kabila forces are being so successful in eastern Zaire—and they now control a territory twice the size of Germany—is because they always knew in advance where to attack.

So, they had a clear advantage over the Zairean troops, and that came from satellite surveillance. According to this article, there are certain military experts in Goma, Americans, who have installed a ground control facility; they have access to satellite data, and obviously, they are giving it to Kabila. According to Western diplomats mentioned in this article, the Kabila forces knew exactly, always, where the refugee streams would go. So, you have this image of refugees who, for months and months, are running from one place to another place—no help, no food, just being ground up until they die. This is so horrible! I want you to have nightmares tonight! Because if you sleep well tonight, then you have lost some of your basic humanity.

So, Kabila has a CIA background. Kagame was trained at an American fort in Kansas. These things have to be cleared up.

An appeal to President Clinton

I would suggest that we go on an all-out mobilization, with an appeal to President Clinton, and ask him, why this coverup for Kabila? That we make a mass appeal, that we collect signatures for this resolution, with the idea that we will print it in newspaper ads, go on talk shows, and urge Clinton to do everything in his power. The United States *could* stop it. Nobody else *but* the United States could stop this, that's a fact. There is no excuse for it! Even if Clinton got hooked into it. In the meantime, American mercenaries from Virginia were found dead in Zaire—I think, if you investigate this, you will probably find the old "asteroid" networks of the Bush parallel government, the Iran-Contra apparatus. But, let's investigate it! Because there is a limit to how much you can blame previous administrations for something which is ongoing right now. That is my deepest conviction.

We should also demand that the backers of Kabila and the backers of Museveni be investigated: That means Lynda Chalker; that means Baroness Cox. That means London, as we demonstrated in the *EIR* that came out this week [the issue of April 4], that London is, presently, the headquarters of practically every international terrorist force. So, if people are saying, what about condoning terrorism? what about harboring terrorism? what about Sudan? what about Iran? well, it is a matter of fact that every Islamic or non-Islamic terrorist group has its headquarters in Great Britain, in London! So, let's investigate that! There will be no end to this genocide, until these things become clear in the minds of everybody in the whole world.

The worldwide financial breakdown crisis

Now, let me situate this, in the context of the global strategic crisis which is unfolding right now. Even though the genocide which is going on in Africa right now is the most obvious, I can assure you that we are sitting on a powderkeg, of a twofold strategic crisis, which is not less hair-raising and not less dangerous than what I just pointed to.

I will start with the financial crisis. You all know that Lyndon LaRouche is famous for having predicted that this present monetary system will collapse. As a matter of fact, I joined this organization, in 1972-73, because I was convinced that Lyn was right, that this system would, sooner or later, collapse, and that the alternative would be either a just new world economic order, in which all people on this planet can live, or global fascism. This is what Lyn told us in 1972, and I thought that it was true. I was also convinced at that time, that either we would succeed in developing the Southern Hemisphere, the developing countries, or we would not make it as a human race, because we are only *one* human race, and we are all sitting in one boat. That was how I joined this organization, and I know that many people in Europe joined it with the same idea.

In the meantime, Lyn has made many forecasts. He wrote a paper about his Ninth Forecast [see *EIR*, June 24, 1994], in which he said that he very seldom *predicts* developments, because he is not interested in tea-leaf reading, but he is concerned with the scientific forecasting of economic processes. He made a famous forecast in December 1995, in which he predicted the emergence of the final disintegration of the global financial system [see *EIR*, Jan. 1, 1996]. One can say very clearly, that with the turbulence of the last two to three weeks, we have entered a phase shift in this process, and we are now very, very close to an evaporation of the entire financial system.

Let me give you some of the latest facts. You all know that there was, for the last three weeks, a downward trend in the Wall Street bubble, on the stock market. You had, for a long time, an insane buying spree, where people would buy stocks, just to make a little more profit. They would put their pensions into mutual funds, risking that they would lose everything, just to make a little bit more money, for one more day, like a dope addict. Simple Americans, ordinary Americans were drawn into this craziness—140 million Americans are speculating, in one way or another. Now, these people had better get out of these markets, or they will lose everything, potentially, very, very quickly.

The downward trend, a couple of days ago, was 90 points on the Dow Jones—1.5% down. Immediately, all European markets went down another 2%. Then, between Tuesday and Wednesday of this week, the German Dax stock market index went down 7%. France, down 5%. There was massive money injection and manipulation of the Dow Jones, but it went down 7.5% in the last three weeks, and the turbulence continued yesterday. The Nikkei in Japan went down 265 points; the

Dax went down another 2.75%, and, while this is not the big blow, it clearly shows high volatility and a phase shift.

Our credibility is increasing. It is increasing exactly because of our programs and analysis around the world. If, for 25 years, you stick to your guns, when you are vilified, when you are slandered, put in jail, harassed, and so forth, and you stick to what you believe in, and then finally, things are happening which you have said all the time would happen, then your credibility goes up. Therefore, Lyn's credibility, right now, around the world, is really the highest of any economist in the world, and many people are recognizing it.

Now, we have a big Japanese banking crisis. Japan's tenth-largest commercial bank, Hokkaido Takushoku Bank, which has assets of \$110 billion, is collapsing. Also, the Nippon Credit Bank, with assets of \$160 billion, is melting down. Deputy Finance Minister Tadashi Ogawa basically said that the Japanese government would do everything possible to keep the banking system alive, by pouring in money. But as the *Sunday Telegraph* of a couple of weeks ago already said, the world is sitting on a powderkeg, a \$55 trillion derivatives bubble—you have to imagine, 55 and then 12 zeroes! This is a bubble which can pop. What this paper pointed out—which is true, and therefore I can quote it—is, what happens if this bubble starts to collapse? The only thing which can happen, is that the governments buy up these banks, and bail them out. But the problem is, all the governments of the world are already bankrupt. Sure, they could do what this Japanese deputy finance minister is saying: Japan could save its banks by the government just taking taxpayers' money and bailing them out; the U.S. could do it, Germany could do it, and so on. But, these governments are already in debt, with a debt which they can never pay back, because it is in the trillions. So, the only thing left would be hyperinflation, like in Germany in 1923. You can start printing currency; you can pretend there is no inflation problem, and you can print enough money so that these banks can survive. But then, you end up like Weimar Germany: One day a pound of butter cost a million, the next day 20 million, the next day it was a trillion, and in the end, they stopped even printing money, and just gave out blank paper, so that people could write whatever astronomical figure they pleased. Naturally, at a certain point, the whole thing collapsed. People lost *everything*, every penny they owned. And that is what is on the horizon.

It could also come about in a quite different way. You have not only the Japanese banking crisis; you have a new "Mexico crisis" being talked about in Brazil, and that's big. In Indonesia, in Malaysia, in Korea, the so-called "Tigers" are all in a Mexico kind of situation. You could have more mistakes, such as the Barings miscalculation, in which one of the big players just mis-speculates.

There are many, many potential detonators and trigger points that could bring down the whole system. As a matter of fact, *Handelsblatt*, the leading economic daily of Germany, commented on the banking crisis in Japan, by saying that a

time-bomb is ticking in Japan; there are many more banks which could explode; and what will happen if the little investors all of a sudden start to panic and pull out their money? Then, you will have a run on the banks; if you are early, you're lucky; if you're too late, the bank will have closed and your savings will be gone.

That is *so close*. Several economists have said that any psychological thing could trigger this. That is where we stand.

Stop the IMF looting!

Now, Africa—as Mr. Binaisa mentioned in a seminar we had here yesterday, in New York—is in this condition, because it has been looted by the International Monetary Fund. Look at the condition of the Balkans. Albania is disintegrating. Albania was the poorest country in Europe. They promised people get-rich-quick schemes, a pyramid scheme, like a chain letter: If you would buy into it, you would make two-digit profits. Naturally, this cannot work for long. All of it collapsed, and people lost their entire savings. This led to a rebellion. The entire state authority collapsed. You saw pictures of these children plundering ammunition depots, taking kalashnikovs, taking flour from the factories for bread, just plundering. No more army, no more police, nothing functions any more. This is the result of the IMF!

In Bulgaria, another European country, you have people dying of hunger. You have no more medical supplies; people have no more bandages to have their wounds treated. No anesthesia. Even aspirin is a luxury item in Bulgaria. You can imagine yourself sitting in Bulgaria, or parts of Russia, for that matter, and you want to have an operation, but there is no money. You can't get out! There is a new Wall, and that is a money wall; because you can't buy a ticket, you're stuck where you are. And if you get sick, you will die. That is the condition of the majority of the world today. Africa: If you are poor, you can't get a visa and you can't buy a ticket; even if you could, the Europeans are sending you back now, they don't want an influx of these people. In Russia, the real danger is that the state will disintegrate. The government is regarded as being evil, so the regions do not pay taxes anymore to Moscow; Moscow doesn't pay the wages of the Army or other employees, so the whole state disintegrates.

I was in Europe just recently, in Austria and in Germany. Ordinary people would say, when they saw these pictures of Albania, "My God, this is exactly what could happen in Russia." The only difference is, if it happens in Russia, Russia has nuclear weapons; they have ICBMs; and if they fall, and the regional mafias conflict with each other, you can have all hell breaking loose.

If you look at the condition of the world from that standpoint, there is no question that the disease from which the whole world is suffering, is this monetary system. The patients are the nations, and their physical economy. Now, this diseased international monetary system is threatening the life of the nations. You would assume that the governments would

try to protect their nations against this disease. But, somehow, they think that it is their mission to maintain this bankrupt banking system, even if entire continents are dying.

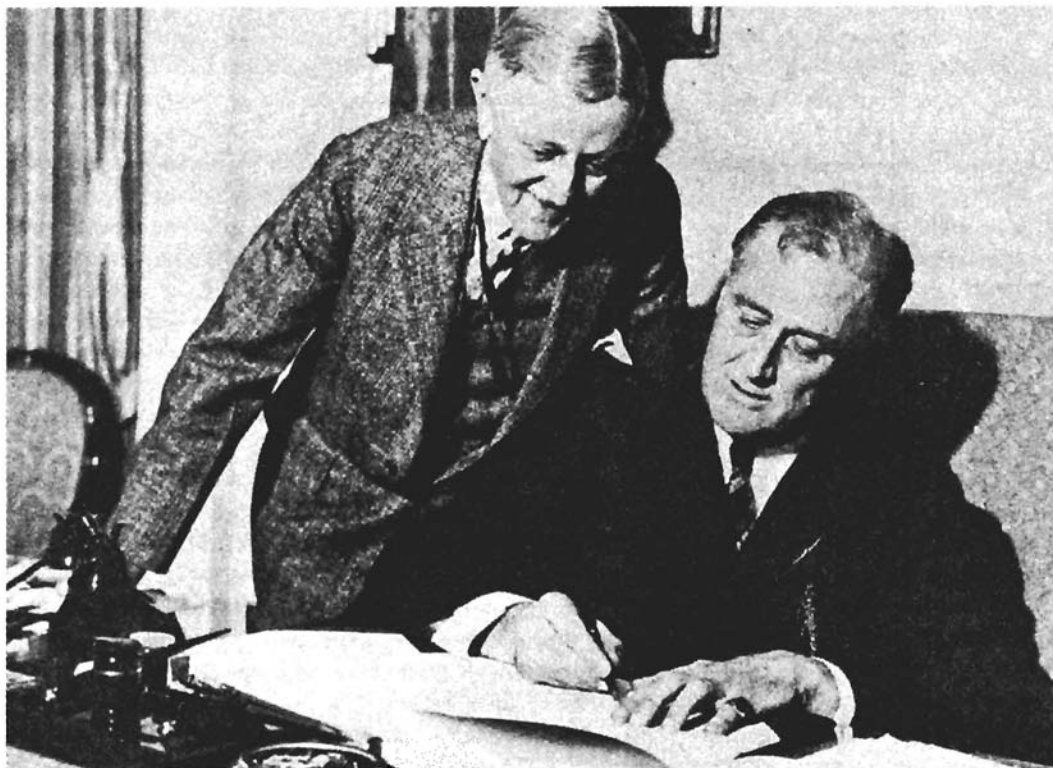
So, what we are seeing right now, is the end-phase of what Lyn described as the paradigm shift which started 30 years ago, when the idea of the well-being of society, the idea of scientific and technological progress, was abandoned, and you had the paradigm shift leading to the rock-drug-sex counterculture, the utopia of the post-industrial society, and the service economy. The famous American "model," where you have 10 million new jobs—Clinton yesterday announced another 2 million or so new jobs—but these jobs are not productive! They are jobs in the service economy, whether as a hairdresser, or McDonald's flipper, or whatever. These jobs are not *producing* anything.

This disease puts the emphasis on speculation, rewarding those people who make their money, not from investment, but from speculation, the so-called "shareholder value" society—the management of the firm is no longer thinking about the long-term profit over, let's say, 10 years or 20 years, to do research and development, to make sure that they really are progressing; they are only thinking about dividends and the immediate short-term profit on the stock market. And the stocks don't remain there, but are used again for betting, side-betting, derivatives, futures. So you have these so-called "creative new financial mechanisms"—it's a complete casino economy! You have a shrinking economic base; fewer and fewer people are in real production, and the bubble becomes bigger and bigger and bigger. It's like a big cancer in a patient, and the cancer wants to grow, it's a very aggressive cancer, which eats up more and more of the healthy body of the patient. This is exactly what is coming to a head now. One can compare this disease, of the post-industrial society, of the shareholder value economy, to a lentivirus, such as the AIDS virus. You contract it, but you don't die immediately; it moves very slowly, but it leads for certain to your death. And that is exactly the point we have reached.

The obstacles to a solution are political

Now, the problem is, that while we are sitting on a powder-keg, and this system is threatening to collapse, no government in the world—not Clinton, not Kohl, not Chirac, nor any other government—is prepared to deal with that. The *Titanic* is sinking, and these governments just think about how they can stick to their chairs. Kohl has just announced that he wants to run for another four years—he wants to have a big chair, so that his big behind can sit for another four years on this chair. But the problem is, that the ship on which the chair is sitting, is sinking!

The problem is, what Lyn has identified as the "Hamlet problem." I want to describe this again, very briefly, because I want you to go to your friends and neighbors and explain it. If these things are so obvious, what is it that holds these governments back? You all know the play by Shakespeare,



President Franklin D. Roosevelt in March 1933, signs the bill empowering him to reform the nation's banking system—his first major act as Chief Executive. President Clinton today should do what FDR did in his day: Give credits for full production, to get the world out of the depression.

Hamlet. In the third act—and when you go home tonight, you should go to your bookshelf and read this—there is the soliloquy by Hamlet in which he says that he cannot go into an era of the unknown, because, although he knows that the present course of his action will lead to a tragedy and disaster, still the future is something from which nobody has yet returned; therefore, it's fearful, it's frightening, and he would rather go on the certain path toward disaster, than daring to go for a new solution.

What we propose, and what Lyndon LaRouche has put on the table for some time, is: You have to do an orderly reorganization of this system. President Clinton must call a New Bretton Woods conference. He must reorganize the bankrupt American financial system. He must totally eliminate this bubble economy, the 99.5% of financial transactions which are pure speculation, every day—that must be dried out. He must put the Federal Reserve under the control of the sovereign government of the United States, under the U.S. Constitution—basically as it was before the Specie Resumption Act of 1879. Then, you have to do what Alexander Hamilton did, what Lincoln did, what Franklin D. Roosevelt did: You have to give credits for full production. You have to have a dirigistic, anti-Depression mobilization, like FDR. He lifted the United States out of the Depression of the 1930s, by preparing the United States to enter the war against the Nazis. He just gave out credit lines to everybody who wanted to produce. And people started to produce, and produce, and produce, and by the end of World War II, America was the

first economic power in the world.

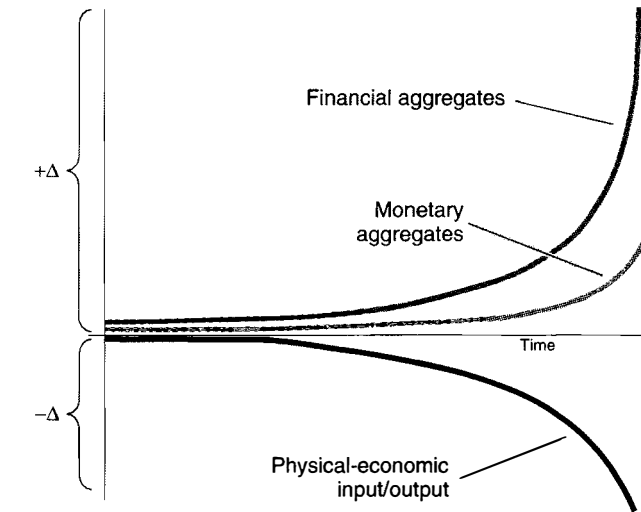
There is no reason, but the lack of political will, why the same thing cannot be done for peaceful purposes. It can be done tomorrow! If Lyn were President, he would have done it already. You give out credit lines for clearly defined projects: infrastructure projects, science and technology, boosting investments; and then you do the same thing on a global scale, and you ask the different heads of state, from around the world, to come together and agree on a program of global reconstruction, the Eurasian Land-Bridge, which we have proposed, and which, in part, is being built by the Chinese, by the Iranian government; India is now getting in, some Central Asian republics are in, and we want to connect this to Africa, via the Bering Strait to the United States, with a similar program for Latin America.

Then, you do the same thing. You reorganize the bankrupt banking system. You establish a national bank in each country, and they give out credit lines to start to produce these kinds of things, which are in the common good of every country involved, and are the only way out of this crisis.

Lyn has made the comparison of the present collapse to World War II: First was the *Anschluss* of Austria; then, you had a certain pause; then, you had the invasion of Poland, which was still a relatively small-scale operation. Then, you had the opening of the Western Front, according to the Schlieffen Plan; then, the theater in Africa, the Balkans war, finally Operation Barbarossa, and by 1942-43, you had the full horror-show of World War II. This is how you have to

FIGURE 1

A typical collapse function



imagine the different phases of the financial collapse.

So, when you read in the newspaper about how this Wall Street collapse of 7-or-so percent is “a necessary adjustment,” that this will “bottom out,” and after the correction, things will get better—this is absolutely not true. It’s an unfolding of a process, because there is no solution within this system. This system is rotten to the bone, and what has to be done, is to do away with the entire paradigm of the last 30 years. We have to go back to scientific and technological progress, to an economic policy oriented toward the common good of the people, which is a scientific question. We have to completely change the system.

The reason that the system cannot be saved, is shown in Lyn’s analysis of the “Triple Curve” (see **Figure 1**). Let me say something about our method of economic forecasting. Lyn is very emphatic, that is not a prediction of a date, because, as I pointed out, there are so many trigger points which can bring the system down. But, it is forecasting on the basis of mathematical functions. If you take the entire world production of the physical economy, you have the lowest curve, which is a hyperbolic curve going downwards. If you look at the destruction of physical production, in Europe, in the United States, in Russia—with the exception of China, which is the only area of growth in the world, and maybe Iran—then you have totally separated, in one way, the increase of money, which is a hyperbolic curve that goes upward. For example, in the 1970s, the portion of money which was used for trade was in the range of 50-60%. Now, the money which is used for exchange of real goods—trucks, potatoes, other things—is 0.5%. And every day, \$3 trillion—that is, 99.5% of all financial transactions—is just speculation.

These two processes are completely separate in one sense: You have the production, and you have the speculation, and

they have practically nothing to do with each other, as you can see by 0.5% against 99.5%. For this to function, just as the cancer needs to have a patient which it eats, so, through the process of primitive accumulation, the money is sucked out of physical production, to have an increased flow of monetary aggregates, flowing into the financial markets.

So, you have the monetary aggregates, and then you have the financial aggregates, like the multiplier effect, which is then the derivatives speculation part.

A case study: the Thyssen takeover attempt

A good way to understand how this functions, was the recent hostile takeover attempt of the steel firm, Thyssen, by Krupp. These are two steel firms in Germany; they are highly diversified, they have other technologies in production, and, at a certain point, Deutsche Bank, Dresdner Bank, Morgan Grenfell, Goldman Sachs, and others decided that they wanted to take over Thyssen, in a hostile takeover. The banks gave Krupp, a relatively smaller firm, DM 13 billion, to buy up Thyssen. The idea was, that they would then sell the so-called filet parts, the most profitable parts of Thyssen, pay back the banks with the profit, and dump the industry.

At this point, thousands of workers took to the streets; they went to Frankfurt to demonstrate in front of Deutsche Bank, and the bankers got really scared, because you had 30,000 angry steelworkers, burning coal in front of Deutsche Bank, and they got the idea that the streets would burn. Similar things were done in Bonn. So, they cooled it, and now they are only going for a merger of the two steel firms, which is still putting tens of thousands of workers out of a job.

This is a typical example: hostile takeovers destroying physical production, in order to get a short-term profit for the speculators. And this is why you have this phenomenon, that countries collapse: Africa, Latin America, Russia, collapse, they die, and you have some people who become billionaires—the French and German press yesterday reported that Chernomyrdin, the prime minister of Russia, had, in the last four years, increased his personal fortune from DM 47 million to DM 8.3 billion! You have some people like that: George Soros, Jimmy Goldsmith, and these hangers-on to power. For a clinical study, you should go to Wall Street—take your umbrella, because they may jump out of the upper floors—but you should watch the type of people there, the Baby Boomer, the yuppie. They have no knowledge of anything. They have no sense of history. They have no *agapē*, they have no love for mankind. They are like appendices to computers, appendices to the Internet. That is what these Wall Street brokers are like. They serve no function, their character is crippled, they are not fully human beings. They just know how to do the betting, play the mutual funds. But otherwise, they do not exist as human beings. It’s like the final degeneration of a species, in the last phase before they die out. The problem is, these people are in control right now, and that, we have to stop.

Therefore, because we have now reached, in this hyperbolic function, a singularity—because not only are these curves hyperbolic, but the relationship among them is also hyperbolic. Imagine you are in the upper curve, which is the bubble part of the economy. And you have, say, a 400-point “correction” on Wall Street. Does that change the hyperbolic character of this whole thing? No! It just means a tiny, tiny shift in the hyperbole. But if they tell you it is a “bottoming out,” it is a complete lie. So, unless you correct the lower part, and get the real economy going again, and have real production, for you, your children, your grandchildren—infrastructure, functioning trains, planes which don’t fall down, enough energy, water, clean water, all of these things—unless that is done, forget it! The “bottoming out” will be a spiral, without bottom, till the end.

The biggest danger, is that if this collapse is now triggered, either by Japan, or by Malaysia, or by any psychological factor, in *two to three days*, the entire financial system can go.

To give you an idea of what that could mean, look at Albania. When 140 million Americans, who have put their money into mutual funds and private pension funds, and so forth, realize that they have lost everything, don’t you think they will be on the streets here, too, as they are in Albania? You are sitting on a powderkeg, in this country.

You saw what happened when Gingrich and his co-criminals shot down the U.S. government, at Christmastime a year ago. That was a tiny foretaste. Suddenly, the government had no more money to spend, and all of Washington was closing down. Many little shops lost their business, and this had a big impact. But it was just tiny, a political muscle-flexing. But this could happen worldwide. If this were to happen worldwide, it would mean the deaths of many people, people in hospitals who would not get medical supplies—after a week or so, all stores would be empty, those people who don’t have access to the farms, in the countryside, would begin to starve.

The New Bretton Woods conference

This is why we have to get a mobilization to remedy this. This is why we have launched this appeal to President Clinton, to get this New Bretton Woods conference, and to make the Eurasian Land-Bridge and global reconstruction the content of such a conference.

We have collected a lot of signatures already; we have two former heads of state, we have several hundred sitting parliamentarians, we have many, many ex-parliamentarians, civil rights leaders, trade union officials, from all over the world, which we will publish next week [see this issue, p. 12]. This will not be the end of the mobilization, but we wanted to have a certain density, to go public. I want to ask you to help us with this initiative. Because of the Hamlet problem: It would be so easy to reorganize this. People should understand that money is just something that man has made. Governments make money notes. You can have a reform, and have much better money afterwards.

You can protect the savings of little people. It is not necessarily the case, that if you carry out a monetary reform, then you lose everything. You can make part of that package, that the savings of the ordinary people are protected, and are re-counted in the new system. It’s a political question. The reason why we call it the New Bretton Woods System, is not because we think the old Bretton Woods System was perfect, but we want to have a pedagogical reference for people to understand that governments can make monetary systems, and that there was a period, of about two decades, where there was relative stability in the system.

This is the one problem, which we must solve in a short period of time. Obviously, Lyn has to play a leading role in this, because with all due respect for the President of the United States and other assorted individuals around the world in high positions, I know for a fact that they don’t have it. And Lyn must play a leading role in this reorganization, or the world will not make it. I must say, if you look at the mess in Washington right now, and the mess around the world, that unless Lyn is exonerated, and his name is cleared, and the people who did to him, and to our organization, what they have done, are the ones who go to jail—then Clinton is not serious. I think it has come down to a litmus test, where Clinton must be put under pressure to exonerate Lyn completely. If he’s not going to do that, it is almost 100% certain that he will fail; but unfortunately, not only Clinton will fail, but with him will go Western civilization.

I can already see that what is happening in Africa right now, will not spare Europe. When Vukovar happened [in 1991], the big genocide in Croatia, I put out a leaflet at the time, and I said that Vukovar will be the future of all of Europe. Okay, now you have Albania, Bulgaria, and what do you think will happen if Russia explodes? You will have refugee streams of millions of Russians trying to escape Hell, coming to western Europe. If the monetary system explodes, what do you think? The German government has made a secret study showing that the food supply will only last for five days in Germany. Now, I think the evaporation of civilization, and the plunging into a new Dark Age where only perhaps a couple of hundred million people will be left, is not an exaggeration. That is what we are heading for, unless we reorganize this situation.

Threats to the Eurasian Land-Bridge

Now, let me focus on the second aspect of the strategic picture, in which you have to see what happens in Africa, what happens to the financial system. You have to look at the world as a whole, because you cannot find a remedy in a partial solution. There is no way that you can solve the problem of one country or one continent, and not the rest. We are sitting in one boat!

When the famous Beijing conference took place last year in May, where the Chinese government announced the Eurasian Land-Bridge, and in which I and some other people

from the Schiller Institute participated, a beautiful new proposal for what to do with the world economy was laid on the table, and the Chinese government invited the whole world to join in the beginning of the building of a new era of mankind, in which, through science and technology, development would be brought into every land-locked area in the world. For the first time in human history, the geographical precondition would no longer decide whether a country would be rich or poor, but that, through the idea of driving development corridors into all areas of the world, you could elevate all of mankind to a human condition, for all people on this planet.

It is now clear, with the full impact of “China-gate” and the massive, vicious campaign to demonize China, the “yellow peril”—you have such low-life as Richard Bernstein and Ross Munro, who are running around the United States saying there is a new peril, a yellow peril, that China is building to fight a war with the United States, conflict with America is inevitable—this all comes from what? We are now finding out more about this. Already in May last year, the same month that this beautiful proposal for the Eurasian Land-Bridge was presented, there was a gathering of individuals in Prague, in the Czech Republic, called the Prague Initiative. The sponsors of this were Vaclav Havel; Margaret Thatcher; Helmut Schmidt; Leszek Balcerowicz, the former prime minister of Poland, who ruined Poland with the reforms, the famous “Polish model”; Henry Kissinger; and George Shultz. The chair of the executive was John O’Sullivan. On the advisory board were Kissinger and Lane Kirkland. On the board, Zbigniew Brzezinski; Richard Burt; Lord Chalfont; Pete du Pont; Ed Feulner, from the Heritage Foundation; Robert Hormats; Jack Kemp; Bill Kristol, the son of Irving Kristol; Michael Ledeen, famous for his commitment to “universal fascism”; Donald Rumsfeld, the former defense secretary; Jeane Kirkpatrick; Karel Schwarzenberg; Lord Weidenfeld. Participating also were Christoph Bertram from the IISS [London’s International Institute of Strategic Studies]; Midge Decter; Lobkowicz; and somebody who was once part of our organization and is now on the side of organized crime, Laurent Murawiec—he was among the lower-level participants, but nevertheless, he participated.

The evil ‘Congress of Vienna’

What was discussed at this conference, was a new global strategy to replace the old Atlantic Alliance with a new concept of conflict. Given the fact that the Soviet Union had collapsed, they did not want to give up their balance-of-power, cabinet warfare control of the world, and they came up with the idea that China should be made the new enemy, together, naturally, with Islam, along the lines of Samuel Huntington’s thesis of the coming “clash of civilizations.” Margaret Thatcher gave a speech. She had the nerve to say that there are all these congresses in European history, “Of course, there was the Congress of Vienna of 1815”—to refer to that, which

is Kissinger’s pet conference. The beautiful German Classical Renaissance, the Classical period of Schiller, of Beethoven, this was the best period of human history, from a cultural standpoint, potentially from a political standpoint as well, because the Liberation War against Napoleon was successful, and the Congress of Vienna was the conspiring of all oligarchical forces of Europe to dampen that, to smash it, and to install the Holy Alliance, the reactionary period in which Schiller was outlawed. The beginning of the disaster of the twentieth century was that evil Congress of Vienna.

So, Thatcher says, we meet here in Prague, we have a Prague Congress like the Congress of Vienna, like the Berlin Congress of 1878—which was the famous congress at which Africa was carved up in a colonial manner; she put herself in that tradition. At the congress in Prague, they decided on an offensive against Clinton—if they could not prevent his re-election, then they would destroy Clinton afterwards—and to destroy China, to break up China through separatist destabilization: the campaign of the “yellow peril,” break out Xinjiang [the northwest region, from China], break out Tibet, use the Hongkong question, this year, to cause trouble and conflict; break off Taiwan, build up Taiwan as an alternative to Hongkong, and then use that to go for independence of Taiwan, which they know will be a *casus belli* for China, because they don’t want this part of China to be taken away; and so forth.

They mobilized all kinds of British front organizations inside the United States. The famous Christian Solidarity International (CSI), of the same Baroness Cox who is condoning and backing the genocide in Africa; Freedom House; the London International Institute of Strategic Studies. The leading spokesmen for this in the United States are Congressmen Frank Wolf (R-Va.) and Chris Smith (R-N.J.), whom we should drive out of office—and I really mean that! They launched a campaign in the U.S. media, with black propaganda, that the Chinese would persecute Christians, the same thing which they charged fraudulently against Sudan. The CSI—how can they even speak the word “Christian,” when they condone a war of aggression by Museveni, Ethiopia, and Eritrea against Sudan; a war of aggression by Museveni against Zaire; and have loaded on their conscience 1-2 million people who have died? For them to even talk about “Christians” is really too much, and should not be tolerated.

As I said, this book by Bernstein and Munro, *The Coming Conflict With China*, is being promoted now. There was an article about this in *Foreign Affairs*, the journal of the leading British “submarine” here in New York, the Council on Foreign Relations.

Look at a timeline of what happened:

May 1996, the Beijing Conference, and the Prague Conference, like two poles of how the world should look after the reorganization. Already at the Beijing Conference, Sir Leon Brittan, of the European Union, a British character, threatened China, wrapped up in nice diplomatic language: You will never have a Eurasian Land-Bridge, because we will set fires

all over this region and destabilize you, so that this will never come into being.

Then, in late May 1996, the FBI had so-called evidence that China was trying to buy the U.S. election, by giving these campaign donations to Clinton. They withheld this information from the White House, and so did [Attorney General] Janet Reno. So, [FBI Director Louis] Freeh is probably going to resign voluntarily, and Lyn has just called for the ousting of Janet Reno. We have a whole pattern of Janet Reno covering up. She refused to investigate Lyn's case. She gave Lyn's case to the same people, Jack Keeney and Mark Richard, in the Justice Department, who were the criminals! She did the same thing in this famous Operation Lost Trust case in South Carolina, where Judge Falcon Hawkins said there was misconduct in the framing up of black elected officials, and Janet Reno gave the task of investigating that to the very people who did it! This is enough! Janet Reno should go! There is no reason for this woman to remain, and we should take the gloves off; I am very glad that Lyn has called for her resignation. I think it was long overdue.

Freeh and Janet Reno violated U.S. national security interests. If they had evidence, so-called, that a foreign power was trying to influence the U.S. election, and they are not giving it to the President, then what is this? On whose behalf are they working? When you know the British counter-strategy, to target Clinton and to target China because of the Eurasian Land-Bridge, which is *the strategic issue number one in the world today*, then you understand this.

What else happened? Exactly one year and two days ago, on April 3, [Commerce Secretary] Ron Brown died in a plane crash, flying from Bosnia, trying to go to Dubrovnik. This matter should be re-opened, because this is one of the most suspicious things. We know from people on the ground that such a thing cannot "just happen." This was a secretary of the United States government, the top executives of production-oriented firms who wanted to go to Bosnia, to build Bosnia up with a new Marshall Plan. The pilot was a top pilot. They just don't make these kinds of "mistakes." And when the accident happened, there was a suspicion that there had been some electronic meddling, and so forth, and I think this issue should be re-opened. Because not only did the Marshall Plan for Bosnia not happen, but Ron Brown was crucial in two other respects: He was an excellent collaborator with Clinton, for a decent policy with China. He wanted to have government-to-government cooperation to help China develop its infrastructure—railroads, nuclear plants, other projects. When he was killed, there was a vacuum. And who moved in? [Democratic National Committee Chairman] Don Fowler, who made the dirty deal with the Republicans, and he filled his pockets. The rumor has it in Washington, that Don Fowler is limitless in his greed for money. Don Fowler and Dick Morris moved in, and they did the campaign for Clinton, whereas before, Ron Brown would have run it. The welfare bill got signed, as a dirty deal with the Republicans. And, no

to the China policy. So you see how one murder can shift, strategically, the course of events. I think this is a classic case.

Kissinger is no friend of China

In the case of China, there were others who profitted a lot from this, and that is Kissinger and George Bush, who are so-called "friends of China." I would say that Kissinger is just making a lot of money because he had the fortune to be in the Nixon administration—he was national security adviser and secretary of state, and therefore instrumental in opening up the relationship with China in 1971. It just happened to be the same time that I was in China, 26 years ago. Because he opened the relation with China, he has since then been selling this idea that he is a friend of China, to open business. He naturally gets lots of money for that, but that's all there is to it. Kissinger is exactly the same as Margaret Thatcher in this respect, as we can demonstrate with this Prague Initiative conference. We should never forget that Kissinger proclaimed himself to be a British agent, in his famous speech in 1982, in front of the Royal Institute for International Affairs, on the occasion of the 200th anniversary of the creation of British intelligence under Jeremy Bentham. Kissinger said that even in his position as secretary of state and national security adviser in the Nixon administration, he always took British interests first, and American interests second. I think he should not go unpunished for doing this!

Thus, Kissinger and Thatcher are the same thing, and we must stop this campaign to bedevil China. China has no aggressive intentions. It is not in the Chinese culture to wish that. I had meetings with top Chinese officials, which I have not made public, because they were of such a nature that it was not fruitful, but the point is that, in China now, they have the maximum interest to have a good relationship with the United States. They want to have a strategic partnership with the United States. If the United States does not have a good relationship with China—the population card—there is no way that mankind can get into the next century in peace.

Look at a map of the world's population densities. You have dense population in the Midwest of the United States; you have some density in Europe; but the vast majority is in Asia, in Southeast Asia, China, the Indian subcontinent—4.5 billion people live there. If the United States, which is the largest superpower in the world, and China, which will be the largest superpower in the next century, probably by the year 2010—if these two do not work together, you can have World War III. What Gingrich did on his recent trip to China, where he behaved in the worst way—he incited the Chinese. China is a culture which has had a lot of attacks from colonialism, the Opium Wars, the Boxer uprising. They are very, very sensitive; they do not want to be pushed around. The last thing they want, is for some jerk to come and tell lies, which Gingrich did. He had the nerve to speak to a school of diplomatic students, and say, you are doing this, you are doing that. Also, hyping up the Taiwan issue.

Hongkong will join China in July. And this whole apparatus of the Prague Initiative and the CSI gang, and these other agents, are geared up right now to use the Hongkong issue, to use the crisis with China over Taiwan, while at the same time manipulating Taiwan to go in the direction of independence—you can create conflict this way! If you would have war between the United States and China, which is what these people are driving at, World War III is quite feasible. I think we should really make a campaign in which we use the knowledge we have, of what these creeps did in Africa, and what they are still doing, and destroy this apparatus. This is important to save Africa, and it is important to save the United States and the rest of the world.

So, we are right now in an incredible historical period. It is very horrible, and very dangerous. I want you to change your life; I want you to join this movement, throw all hesitations away, give some of your time. Just say, I want to become an active member of this organization; I want to mobilize, I want to help to save Africa, I want to help save the world, before it is too late. We are, right now, an internationally organized mass movement of different shapes and forms—this will be reflected in the number of people signing this call for a New Bretton Woods. This network of people, the active organization we have in the United States; in Europe, east and west; in Latin America; the many friends we have in Africa, in China, and in other places. This is the hope! It is all oriented

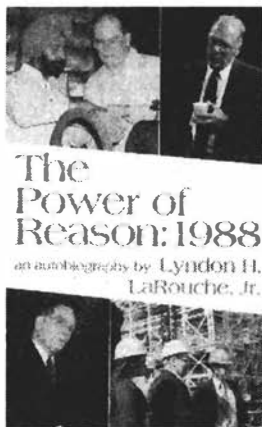
around Lyn, around getting Lyn in the position to play a leading role in this coming crisis. World civilization hangs by a silver thread. That's the reality of it, and it's very dangerous.

However, I want to end with an optimistic note, a picture from an exhibition from China that is in Washington right now; it's called the Imperial Treasures. This is an excerpt from a scroll, about five meters long, that portrays a long procession, going to the funeral of an emperor. It's a beautiful picture, and if you get to Washington, you should see the exhibition. I'm showing it to you, because China has a very old culture. It has so many beautiful things! You have a Confucian tradition of philosophy, which is very close to our own Christian tradition; it is very close to Judaism; it is very close to Islam, because it has a very high appreciation of the idea of Man. I am absolutely certain, that if we defeat these criminal gangs, then a dialogue among cultures in this world is absolutely possible. I'm an optimist! I think we will win this fight, because man has been given by God an ability to defeat evil. I think we have something within our soul which makes us strong enough, when we are confronted with a horrible evil, to mobilize something inside ourselves which enables us to defeat the worst tyranny and the worst power of despots around the world. I would like to thank the poets and musicians who performed, because this is what humanity is all about. You will see: We will win, and there will be a Renaissance very soon.

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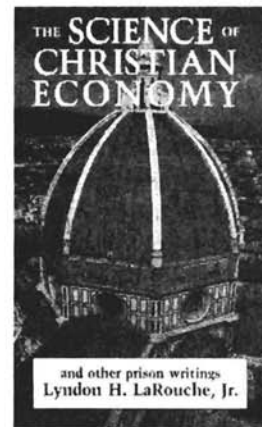
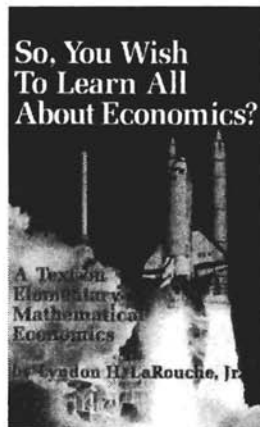


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