

‘We Must Revive the Concert of a Just, New World Economic Order—Now!’

Here is Lyndon LaRouche’s keynote, as delivered, to the conference on “The World Situation After the Iraq War,” in Bangalore on May 26, organized by the Centre for Social Justice and the Schiller Institute.

Lyndon LaRouche: The time is short, and therefore, I shall give a somewhat compacted report on the points I have to make.

First of all, I take you back to the beginning of January 2001.

The new President of the United States had not been exactly elected, but he was about to be appointed, as a result of a Constitutional crisis, created out of an election crisis. So, on that occasion, I sent a representative of mine, Mrs. Debra Freeman, to New York, to attend a meeting which was being held by the outgoing President Clinton: To convey to the outgoing President that I had filed my intention to run as a candidate for President in the year 2004. And shortly thereafter, I delivered a rather important address, anticipating what the incoming Bush Administration would be, in essentials.

Unfortunately, that address was fully confirmed, in all essential details. First of all, I indicated, the United States was already gripped by the collapse phase, the terminal phase of existence, of the floating-exchange-rate monetary-financial system, begun in 1971. Mr. Bush’s policies, and the policies of his Administration, indicated he would be a very foolish President, at least at the beginning, and therefore, we would be assured, that during the course of 2001, the U.S. economy would begin to slide, at an accelerating rate, toward its inevitable doom in its present form.

That has happened.

The Hitler Crisis Precedent

I also warned of another contingency: I pointed to what happened in Germany between 1928 and 1933, at which time a similar international, systemic financial crisis gripped the world. At that time, you had a force, based in London, around a fellow who was, during part of that period, the head of the Bank of England, Montagu Norman; who was a backer of Hitler, and whose agent for Hitler, was Hjalmar Schacht, among others.

So, events proceeded. And on Jan. 28, 1933, the incumbent Chancellor of Germany, von Schleicher, was ousted by Hindenburg. Two days later, on Jan. 30, Adolf Hitler was

inaugurated as Chancellor.

At that point the world thought this was a joke. Hitler had been on the verge of suicide in January, because of the bankruptcy of the Nazi Party, until some New York bankers, including the grandfather of the present President of the United States, bailed the Nazi Party out, and Hitler did not commit suicide, and Goebbels did not commit suicide. On the contrary, Hitler became Chancellor on Jan. 30, 1933, by appointment. People thought this was a joke, because the Nazi Party’s base was very weak. But then, on Feb. 27, these agents set fire to the Reichstag. And by means of setting fire to the Reichstag—which was done on behalf of Adolf Hitler—Hitler on Feb. 28 became the dictator of Germany. And, from that point on, the consequences, including World War II, were virtually inevitable.

I warned, we face the same threat today. On Sept. 11, 2001, the United States experienced a “Reichstag fire,” set by agents, at a high level *inside* the United States, in a way exactly like the way in which Hitler was brought to power in Germany. On Sept. 11, 2001, the Vice President of the United States, who had had certain policies already in 1991, policies which had been rejected by the previous Bush Administration—policies of war, a continued war against Iraq; war against other targets; a policy exactly modelled upon Adolf Hitler’s policies—moved in, and imposed his policy upon a President, who is not exactly a genius.

And thus, you had a small group of people, inside the Bush Administration, a group of lackeys, comparable to a bunch of Nazis, but tied to the fascist group which governs Israel—this group took over the U.S. government, by being appointed in key positions, at the beginning of the term of Bush; and moving in, and controlling the President’s mind, increasingly, up through the time that he made this infamous “axis of evil” address in his January 2002 State of the Union address.

We moved to try to stop this. But, you have to understand the United States, as I think very few people outside the United States actually understand our system. Most people in the world, including Europe, think of politics in terms of parliamentary systems, especially today, based on the so-called “Anglo-Dutch liberal” model of parliamentary government.

War’s Lessons Should Be Learned

The United States is not such a government. Our government is a Presidential system, in which the Executive powers



Lyndon LaRouche keynotes the Bangalore conference on May 27, in a speech being reported throughout Indian press. "Now, the war has happened," LaRouche said. "Lessons should be learned. The world should learn lessons. . . . The problem is a small group, as in the takeover of Italy by Benito Mussolini; the takeover of Germany by Adolf Hitler."

of the government, of the nation, repose in a *Presidency*, whose key personality is an elected President. The Congress, the Legislative branch, *has no real Executive powers*, on the affairs of government: It is a law-making body, whose influence on the Presidency in matters of Executive privilege, pertain to what's called "advice and consent." That is: Normally, the Senate of the United States, in particular, on matters other than finance, is the advisory body, which acts as a check of the Presidency, against any abuse of the Executive power. Whereas the House of Representatives, the lower house, acts as a check on the Executive branch, on matters of finance, of the credit, and general welfare.

What has happened is, the breakdown of the Democratic Party, during the period of the Gore administration—the takeover of the Democratic Party from the top, by a right-wing group, which shared the same general sentiments as the Bush Administration lackeys—resulted in a condition in which there was no *efficient opposition*, organized opposition *within* government, to pull down irresponsible behavior by a President. Our system has checks and balances. But the checks and balances didn't work, because there was no effective opposition. The Democratic Party was worse than a joke; and the Republican Party was serving its own, incumbent President.

And therefore, under these circumstances, increasingly, the President of the United States becoming increasingly effectively brainwashed, as an effective puppet of these forces, moved through the negotiations about Palestinian-Israeli peace, toward war against Iraq—steered, step by step. Not just the war against Iraq: The objectives of this grouping include, ultimately, *China*. China is the ultimate target of the war policy of the people behind Bush. Not Bush himself. They're Cheney's [objectives].

We fought to make changes. We were not successful. We jammed it up. A majority of the flag officers, serving and retired, in the U.S. Army and Marine Corps, agreed with me,

on stopping this war. But, they didn't have the authority to do it. It had to come from within the Presidency, or through the intervention of the checks-and-balances system of our government—which didn't function.

We did jam it up. We did manage to get the issue thrown into the United Nations—a concession to that. But, as you can see, that didn't work. But, it was obvious they couldn't get their will through the United Nations: Then, they acted pre-emptively, at the moment that they were about to be voted down on the resolution; and they went to war. We couldn't stop it.

Now, the war has happened. Lessons should be learned. The *world* should learn lessons—not to say, "We have some difficulty with the U.S. government; some difficulty with the American system." That's

not the problem. We have problems of that kind, but that's not the problem. The problem is a small group, as in the takeover of Italy by Benito Mussolini; the takeover of Germany by Adolf Hitler; the takeover of Spain by Franco; the takeover of defeated France, by Vichy. The *same, absolute banks*, the same financial interests, behind each of these groups, is the force *inside* the United States! Some of the same financial interests, like the Banque Worms group, which was behind Vichy, cooperating with Hitler—the same group is behind the people who pushed the war policy in the United States.

This is a policy, which did not come from the United States. It came from France. It came from Napoleon Bonaparte. A continuity of Bonapartism, throughout the 19th Century, into the 20th Century, which we came to call, in the 20th Century, "fascism": A fascist coup was attempted, and nearly successful in the United States. However, I can say, it has not succeeded.

A Countercoup Against Cheney's Coup

We have, in the past several weeks—I put out a report, published it, and gave it wide circulation—it's running into the millions—on describing exactly *who* is behind the coup. Who the people are, where they come from, what their policies are. Most of these facts are well-known; they haven't been put together. Two weeks after I put out this report, the *New York Times* published a report, in a Sunday edition, picking up large sections of my report. That report was then echoed in many press, in the United States, in Germany, in other parts of the world.

At that point, fortunately, Donald Rumsfeld—who is a bit of an idiot—made a very serious tactical mistake: He proposed a transformation bill, to transform the U.S. military. Now, this transformation bill, apart from establishing an absolute—it's sort of like a Hitler-and-the-generals' operation—

attacked the Senate directly, on the Senate's most *essential* Constitutional function, of "advice and consent."

If you read the U.S. Constitution, and read the discussions that went into forming it, the greatest care of the Framers of the U.S. Constitution, was in the matter of war powers: Not to entrust war powers to a U.S. President tantamount to those that had been used by George III in the case of England. And therefore, the Senate is the main body of "advice and consent" to exert checks on the President of the United States, on matters of war policy. These checks and balances were bypassed in the launching of the war! It was an unconstitutional war; it's an illegal war; it's an immoral war; it's a crime against humanity, by Nuremberg standards.

But, it was done—not with the consent of the Congress—Senator Byrd made protests; Senator Kennedy made protests; others made protests. But they did not act! And the responsibility of government, especially in dealing with Executive power, *you must act*. You must not let the impossible, the intolerable, occur! That is the fundamental responsibility of those in charge of government, especially the Executive powers. And, those who have control of the Executive powers, as in the case of the Senate of the United States: They did not act!

But *then*, they acted: When their powers were directly attacked; when Rumsfeld, the dictator, the Adolf Hitler of the Defense Department, tried to take over control of the Senate on war powers, some Senators realized, they had to act. They told us they were going to act. They have acted. There is now a kind of Watergate process, in process, in the United States, targetting elements of this fascist coup group, around the President. And they're not going to go for Bush; they're going to go for Cheney, first. They're going for Rumsfeld. They're going to pick the pieces off Rumsfeld's machine. That's their intention. And, they've got a smell of it. And, they're beginning to act.

The Dollar Crisis and Its Solution

However, that is not the solution, which brings me to the happier things I have to say today.

We are in a financial crisis, a money-financial crisis; an economic crisis, of the monetary-financial system. There is no way this system—within its present terms, with the existing IMF/World Bank framework—There's no way that this world economy can survive. Yes, China has certain internal strengths; other countries have internal strengths. Europe is finished already. The United States' economy is finished already, under this system. But, no part of the world could withstand a chain-reaction collapse of the world system coming at the United States. For example: The United States dollar has collapsed about 18-19%, during the recent weeks. It is headed for a potential 25-50% collapse, at the present rate. A 25-50% collapse of the U.S. dollar would strike every part of the world, which has assets denominated in dollars—and the world is largely dollar-denominated. A chain-reaction collapse of the system: It's not a storm that's

going to hit other people. It will hit all of the parts of the world.

There's a solution. And a solution is already brewing, though the fruit is not yet ripe. In a crisis of this type, like the way in which fascism took over Germany, or Italy, or other countries; or, threatened to take over the United States, in the recent period: *You can not beat the enemy by purely negative resistance measures*. You must address the root of the sickness. The root of the sickness is: The world is in a financial system which is essentially parasitical, immoral, and bankrupt. If you do not attack the bankruptcy of the financial system, and produce remedies, which mobilize people with hope that they're going to be lifted out of poverty, lifted out of the threat of mass death, from poverty; if you can not bring optimism into the people; if you can not restore the institutions of voluntary government, you will have dictatorship.

And therefore, to fight against war, as such, as a protest movement, is a mistake. Yes, you must *defeat war*, not fight against it. You fight against it, by taking the positive measures of reform, which mobilize the people of the world to take the action and support the actions needed to prevent the holocaust. That means, we must have what we fought for, at Colombo, Sri Lanka, August of 1976. We must revive the spirit of Bandung, as a part of an international movement. We must revive the concert of a *just, new world economic order—now!*

A Eurasian Concert for Development

How can this be brought into being? You have two aspects to it: One, Europe is already bankrupt, and knows it. But Europe has been wise enough to recognize, and Russia, too, that only in long-term agreements with the nations of East, Southeast, and South Asia, can Europe survive. Only as Gerhard Schröder has spoken in China, on the occasion of the Shanghai maglev railroad. Only with technology-sharing projects—for example, India is a technology-producing nation; China is now a technology-producing nation—not enough! India has not enough! Large-scale projects are needed. We can not deal with the problems of Asia, without large-scale water-management projects; we can not let the water sit, the way it is now. Without gigantic water projects, India can not survive; other parts of the world can not survive. The interior of China, and the north of China can not be developed, without developing Central and North Asia, where the major part of the natural mineral resources of Eurasia lie. You can not continue to meet the needs of the growing populations of South, East, and Northeast Asia. You can't do it.

So therefore, we need large-scale projects, infrastructure projects. We need long-term agreements among nations on trade. We need fixed parities in currencies. We need interest rates on long-term loans which are not excessive: 1-2% simple interest rate. We need 25- to 50-year agreements and treaty agreements, among nations on trade and development.

We need a monetary system, with many of the best fea-

tures of the Bretton Woods system, of the immediate postwar period. But, this time, the United States can not run it, as the United States did back then. It's impossible: We're a bankrupt nation. We have certain assets, and certain values, and we can play a certain role in the world. But, we can not support the entire world, as we did with the gold-based, strong dollar in the 1950s. We must have a *concert of nations*, which does this. We must have a concert of nations take over the international financial institutions, and reform them.

We must use the power of government, to put bankrupt systems into bankruptcy reorganization. We must use the power of government and treaty agreements, to create large-scale credit and credit systems, to enable these potentials to be realized.

We must look to the development of our people, as in Asia, in particular. The great affliction of Asia does not come from Europe and the United States. The greatest affliction comes from the poverty, the mass poverty of people: people, who are not educated; people, who are not fed well enough, to be educated well; who do not have high technology; who do not have the ability to assimilate that, can not assimilate the technologies needed to increase the productive powers of labor, necessary to meet the requirements of these countries.

Therefore, we need long-term agreements. Long-term agreements which recognize a principle, which we call in the United States, the "general welfare" principle. The authority of sovereign government is absolute, in its own territory. But that sovereignty is conditional, on the efficient commitment of government, to meet the requirements of the general welfare of the existing population, and its posterity. That's where the moral authority, under natural law, lies.

Therefore, we can do the things that are needed. We can reach the agreements that are needed. But we need, also, something else. We need the kind of thing we find in warfare: *a sense of mission*—a mission orientation. What are we going to say to the children to be born three generations from now? What are we going to provide them? That must be our conscience. What kind of a world are we going to provide for them? That must be our conscience.

Technology Transfer and Culture

I've also produced, in written form, a precis of a crucial point, which I thought would be too time-consuming to present orally here, on the subject of technology transfer. I think there's very little understanding of technology transfer, but its time has come. We will very soon end the period, in which the idea of trade among nations is based on finished products, and finished engineering projects. Today, as China produces technology; as India produces technology; as other countries produce original technology, original scientific discoveries, the future economy of the world will be based on the sharing of the scientific and technological discoveries of various countries, in the production of products in all countries. Therefore, the long-term agreements must be technology-sharing agreements.

This has something to do with one other point, extremely important: the religious question. The world is largely divided between two great groups: a highly differentiated Asia group; and extended European civilization. The great [thing] which the enemies are trying to exploit today, is the idea of a religious and cultural conflict between European culture and Asian cultures. The targetting of Islamic peoples, by Huntington and these fellows, is only the first step. The attempt to foment religious war and religious conflict *within* Asian countries, and other countries, is part of the danger.

Therefore, the question is: How do we deal with this? I think it's a mistake, on the part of government, to try to settle religious issues. Governments simply must say, "There must never be religious warfare; there must never be killing on the basis of religious issues." But, government must play a positive role, in the sense of the development of the mind of the individual—the understanding of the distinction between man and the beast.

Only a human being would be capable of increasing its population, as today, from three decimal orders of magnitude above that possible for any type of great ape. This power of man, which distinguishes us from the ape, is the power of creating discoveries of scientific principle, and applying them to the betterment and improvement of our conditions. The transmission of these discoveries, both in scientific cultures, and related *cultural* discoveries, as in artistic discoveries transmitted from one generation to another, we call "culture." We deal with these with national cultures. The reason that you must have nation-states, is because if a people is going to participate in the discussion and development of ideas, they must have a common culture, within which to work through this understanding of the idea, even though the end result is the same!

Therefore, we must defend the nation-state; but, at the same time, we must have a *cultural ecumenicism* by governments, not an attempt to impose religious ecumenicism. "Cultural ecumenicism" means the development of the individual, development of the child, to the fullest degree, through material conditions of life, through opportunity, and through education; to raise each child, to the highest potential of the ability to discover and generate new technologies. And thus, to say, "*This distinction* between man and the beast—this distinction, which separates us, but unites us—must be the basis for universal peace."

We can not have *passive* universal peace; we must have positive universal peace: Peace based on an understanding, that we are all human; that we come from different cultural backgrounds; that these cultural backgrounds are *essential* to us, so that our children can transmit the experience and ideas of the past to the present; that we come out, essentially, to the same end result. The end result is clear: It's meeting the responsibility of being human; of getting out of bestiality, and fulfilling, primarily, what it means to be human, as opposed to being a beast.

Thank you.