

LaRouche in Bonn calls for new monetary system

by Muriel Mirak-Weissbach

Over 150 people gathered in Bonn, Germany, on Nov. 5, to attend a symposium organized by *EIR* and titled “For a New Bretton Woods System.” The speakers and guests, many of them from the diplomatic corps, came from many nations across the Eurasian continent, and a significant number of African countries were also represented. The one-day symposium, which was extremely concentrated, succeeded in putting the issue of the day on the agenda—even for the political elites of Germany, who have been living in virtual reality.

For Lyndon LaRouche, who was the keynote speaker of the opening session, this appearance in Bonn had a special significance. It was in April 1975, that he first spoke to a gathering of German political figures, bankers, and businessmen, on the need for sweeping changes in the monetary and financial structures of the world. At that time, LaRouche presented his proposal for an International Development Bank, as a vehicle for promoting infrastructure development particularly in the nations of the “Third World.”

Coming back to Bonn, LaRouche laid out the reality of the world crisis in stark terms, identifying the causes of the worldwide financial/economic collapse, and the approach required to find a solution. The central point he made, was to prove, drawing on the scientific tradition of Kepler, Leibniz, Gauss, and Riemann, that the current crisis is no “cyclical crisis,” no passing phenomenon, as the inhabitants of virtual reality would like to believe, but systemic in nature. “It is not like a planetary orbit,” he said, “but like a comet heading directly into the Sun.” Thus, there is no way precedents can be used, to find answers to this breakdown.

The causes of the crisis, he explained, are “not economic, but ideological and political.” He traced the unfolding of the process from the 1960s cultural paradigm shift, away from a commitment to technological progress, to the idea of a post-industrial society, and the concomitant monetary and financial policy shift, dubbed “controlled disintegration,” which led to a decoupling of finance from reality.

During the same 30-year period, the radicalized students of the 1960s, imbued with the post-industrial ideology, conducted their “march through the institutions,” and now occupy positions of responsibility in the corporate, banking, and political world. That poses the problem of leadership, which LaRouche addressed throughout the discussion process.

International reports

Just how devastating are the effects of this policy shift, was detailed in several contributions to the symposium, dealing with different national economies.

In a paper by Dr. Sergei Glazyev, a former minister of the Russian Federation, and head of the Information and Analytics Department of the Council of Federation Staff in Moscow, which was read to the symposium, the shocking state of the Russian economy and population was presented: Through the “shock therapy” policies imposed by the International Monetary System since the end of the Soviet Union, the costs of rent and heating for citizens doubled; industry and the energy sector were handed over to foreign interests; the external debt service skyrocketed; living standards plummeted.

As Dr. Glazyev stressed, the most precious asset of the country, its scientific potential, has been wrecked.

A similar picture emerged from the report given by Hrant Khachatryan, of the Union of Constitutional Rights Party in Armenia, a former Member of Parliament, who chronicled the process by which Armenia has become a “hostage to the IMF.” And, according to a report submitted by Natalya Vitrenko, a member of the Ukrainian Parliament and co-initiator of the Urgent Appeal to President Clinton To Convoke a New Bretton Woods Conference, Ukraine is no less a victim of the “reforms.” Not only the debt and unemployment figures, but the raw data on basic demographic parameters—population, birthrates and death rates, child mortality, diseases and life expectancy—show a “national catastrophe” for the period 1991-96.

In the words of K.R. Ganesh, a former union minister of finance and a senior political figure in India, who sent a paper to be read at the symposium, the “free market” liberal policies which have also been thrust upon the developing sector, have “made the [old] Bretton Woods system a threat to all nations, and the International Monetary Fund (IMF) the most dreaded words among the poor.”

But even more dramatic were the dimensions of the crisis as experienced in Germany, the country which should be leading Europe in contributing to rebuilding the world economy. Helga Zepp LaRouche drew on studies of the physical state of the German economy to document the de-industrialization process, which has drastically reduced the productive capacities in plant and, most important, qualified labor power. Of the 18 million officially unemployed in European Union countries, she noted, 4.3 million are in Germany.

Of these, 2.5 million industrial jobs have been destroyed since 1990 in western Germany alone. In eastern Germany, the situation is worse—only one of five industrial workers has managed to keep his job. Again, the technology-drivers of the economy, from the machine-tool-design sector, to the nuclear energy and space sector, have been dismantled, and the number of students entering university studies in these areas has dwindled to a trickle. Further presentations echoed the point for Italy. And French parliamentarian Jean Royer, who has held ministerial posts in national government, addressed comparable problems in France.

What such case studies brought home, is the point that not only are such policies failures, but they express the ultimate in immorality. Zepp LaRouche, referring to the abject poverty she had recently seen during a trip to India, drove the point home, that to be indifferent to such suffering is not human. To be human, she said, is to “have a noble desire to be a part of the solution” to these problems affecting most of humanity.

The solution, as LaRouche put it, is “to define a new frontier of economic development.” Given that the center of world population is in Asia, Southeast Asia, and India, the center of economic development for world recovery must be focussed there. Zepp LaRouche filled out the picture, by presenting the Eurasian Land-Bridge program and its 1990

precursor, LaRouche’s “Productive Triangle.”

To implement these great infrastructure programs, which provide the motor for world development, she explained, it will be necessary to launch a crash program to rebuild the productive capabilities which have been gutted; followed by a phase of infrastructure construction and expansion of industrial capacities (1998-2003); and then, by a third phase of the Eurasian Land-Bridge, entailing the complete industrialization of the Eurasian continent, to begin in 2003.

What this means, said all the speakers in different ways, is a return to the methods of national economy. It means shifting back to investment in the source of social wealth, human beings. Dr. Oskar Weggel, of the Hamburg Institute on Asian Studies, presented the manner in which this approach is reflected in the Asian economic models which are based on Confucian philosophy: The state, to express “good governance,” must intervene to direct the economy, forging a partnership of labor and capital, to invest especially in education of the labor force, and in necessary social structures.

Jean Royer of France introduced a complementary approach, proposing that capital be matched with labor to produce real wealth, as opposed to chasing after monetary profits through speculation. He spoke of his efforts to get the French National Assembly to pass legislation creating a FF500 billion Fund for Economic and Social Development, to tackle the crisis of the estimated 7 million unemployed in France. “I have never believed in the stock market or in derivatives,” he said. “You cannot have development with that. I do not believe in the game of speculation, as Mr. Soros does. My fund would extend credit at zero interest to small and mid-sized firms for 40-50-year loans, and to big firms at very low rates, for the grand projects like TGV trains, or military projects. The problem in the French economy today, is that we lack investment at the top and at the level of small firms. We must stop this unemployment and requalify human beings to become economically productive again.

“Today, France has no investment policy to provide for the future generations. With FF939 billion in state debt, French savings are no longer to go for investment in needed hospitals, roads, infrastructure, but to protect against monetary disintegration. The French Planning Commission [of the de Gaulle era] no longer has control of money. Cities have high debt. My proposal is to issue money via the Bank of France for all these needs, and that all the European Union countries work in parallel for such programs. Most important, the funnelling of credit to create new workplaces and industry would transform the spirit and the mind of human beings back into society. As de Gaulle said, the wealth of the human mind is more important than the wealth we have now, without hope. I am in significant agreement with what Mr. LaRouche said here today, especially the idea of humans in the image of their Creator.”

Italian parliamentarian Publio Fiori, in a paper presented

for him, discussed the tradition of Enrico Mattei, who built Italy's energy sector. Fiori reported that he has embraced the initiative for a "New Bretton Woods" conference, "with enthusiasm and conviction," and that he himself has promoted "a parliamentary initiative, which aims at pushing the Italian government to adopt serious measures of defense and prevention, against the plague of massive speculation, nourished by financial derivatives." He has asked the government "to apply a special tax to transactions of derivatives, to act in coordination with the United States government to promote a "New Bretton Woods," and to adopt extremely severe measures and penal sanctions against the great predators of derivatives trading, like George Soros."

The issue of leadership

But how to effect the necessary fundamental shift in values, and therefore policies? LaRouche hammered away at the point that it is a question of leadership. What is required, he said, is the same quality of leadership which Franklin Delano Roosevelt displayed, in mobilizing the American population after Pearl Harbor. Today, too, it must be the U.S. President who assumes such responsibility.

In this context, LaRouche stressed the extreme importance of the summit talks between President Clinton and Chi-

nese President Jiang Zemin, who has demonstrated the quality of leadership of a de Gaulle or an Adenauer. Professor Qian Jing, a member of the Chinese Academy for Social Sciences and adviser to Chinese enterprises, from Beijing, told the conference that at that summit, "international financial problems" had been on the agenda. If the strategic partnership forged at that summit is maintained, LaRouche said, there is reason to be optimistic.

The most obvious expression of the kind of leadership required, was that displayed at the symposium by the LaRouches. Indeed, the turnout of institutional representatives from Germany, as well as members of the diplomatic corps, testified to the growing recognition of LaRouche's conceptual and political leadership at this juncture. As Prof. Qian Jing related in his speech, the influence of LaRouche's ideas has been significant in China. In closing, Qian Jing expressed his confidence that the "era of the Land-Bridge economy" has come.

He added, "There is no doubt, that there are many new difficulties along the path ahead. However, as an ancient Chinese philosopher told us, a long journey starts by taking the first step." He concluded: "Mr. Lyndon LaRouche has already taken the first step by his great efforts. I believe more and more people are following him."

Conference program

International Symposium "For a New Bretton Woods System," Nov. 5, Bonn-Bad Godesberg, Germany.

I. The Fundamental Reorganization of the Global Financial and Monetary System

Keynote: **Lyndon H. LaRouche, Jr.**, founder and contributing editor, *Executive Intelligence Review*, candidate for the Presidential nomination of the Democratic Party, U.S.A.

Jean Royer, former French minister of commerce, former minister of post and telecommunications, long-term member of the French National Assembly, Tours.

Dr. Sergei Glazyev, former minister of the Russian Federation, head of the Information and Analytics Department of the Council of Federation Staff, Moscow. (A summary of Dr. Glazyev's theses was read by Dr. Jonathan Tennenbaum.)

Hrant Khachatrian, president of the Union for Constitutional Rights in Armenia, former member of the Armenian Parliament, Yerevan.

Publio Fiori, former Italian minister of transportation, coordinator of the Alleanza Nazionale, member of the Ital-

ian Parliament, Rome. (A summary of his theses was read by Paolo Raimondi.)

Natalya Vitrenko, member of the Ukrainian Parliament, co-initiator of the "Urgent Appeal to President Clinton to Convoke a New Bretton Woods Conference," Kiev. (A summary of her theses was read by Dr. Tennenbaum.)

II. The Development of the Eurasian Land-Bridge as the Motor for Economic Reconstruction

Keynote: **Helga Zepp LaRouche**, chairman of the international advisory board, Schiller Institute.

Prof. Qian Jing, member of the Chinese Academy for Social Sciences and adviser to Chinese enterprises, Beijing.

Dr. Oskar Weggel, author, scientific referent at the Hamburg Institute for Asian Studies.

K.R. Ganesh, former Indian union minister of finances, and **Pranab Mukherjee**, former finance minister of India, New Delhi. (A summary of his theses was read by Hartmut Cramer.)

Dr. Jozef Miklosko, former deputy prime minister of Czechoslovakia, vice-rector of Trnava University, Trnava.

Benito Li Vigni, author, former collaborator of Enrico Mattei (founder of the Italian Energy group ENI), Rome/Palermo. (Read by Paolo Raimondi.)