

EIR Strategic Studies

Germany's positive contribution to world development

by Helga Zepp-LaRouche

We present the fourth part of Helga Zepp-LaRouche's policy paper, subtitled "Foreign Policy Theses for the Federal Republic of Germany."

The previous part focused on the work of one of Western civilization's greatest minds, the fifteenth-century Cardinal Nicolaus of Cusa, whom Mrs. Zepp-LaRouche describes as the father of German republican constitutional movement and of the idea of the sovereign republican nation-state in general. Only on this basis, she asserts, can a lasting solution to the "German question" be found today.

More than virtually any other thinker, Nicolaus of Cusa asserted the fundamental principle of the divinity of individual life and the inalienable rights of every individual. As he says in his last work *The Hunt for Wisdom*, the creative human being is a second God. He further asserted the ideal of the sovereign republican nation-state, which today has yet to be attained and realized. But for him, *concordantia* was not merely a beautiful and exciting idea; it was universal concord, through the development of all the world's nations. For him, it was the absolute prerequisite to our world's very survival.

Thus the Cusa scholar Hannsler wrote a few years ago: "The fact is, the idea of the community of nations can be postponed no longer; but the distressing fact is, we only see feeble attempts and worn-out institutions to put it into effect. The idea of the community of nations will only receive life and passion, effectiveness and success, when a new Cusa, in the spirit of the Cardinal of Cusa, is able to deepen these ideas and give them vitality. This will require great concep-

tual powers, total personal commitment, political determination, but also that almost delicately tender love for the great idea which inspired Cusa himself. He believed in peace, because he was convinced, that God desired this according to the laws of His own divine essence, and because at the same time, he recognized the realization of peace as the supreme task of all efforts at establishing religious and political order."²²

Where would we be today, had we not a new Cusa who could deepen his predecessor's ideas and give them vitality; who could incorporate the most advanced aspects of modern science, setting Nicolaus of Cusa's conception of the neg-entropic development of the universe on a new and higher level; and who—in complete agreement with the latter on the lawful ordering of physical existence—could have drafted a concrete model for a new and just world economic order, thereby creating the practical preconditions for the *coincidentia oppositorum*, overcoming the contradictions between peoples through the development of all to a higher level?

And furthermore, where would we be today, had we not that "honest investigator" whom Schiller desired for his work in succeeding centuries, who could help to assert his beautiful ideal of humanity to a tormented mankind, and who could confirm Schiller's prediction that later generations would gain new and more profound understanding of his works? And thus, where would we be, had not a fortunate combination of circumstances given us not just one man, who possessed the conceptual powers, the personal commitment, and the political determination to carry out this great idea, the only one worthy of mankind—but a constantly growing num-

ber of nations and people, their hearts filled with just this "almost delicately tender love" for the idea of the inalienable rights of all human beings on this planet?

The concept of the new and just world economic order

In April 1975, speaking before approximately 35 journalists gathered at the "Tulpenfeld" in Bonn, Lyndon LaRouche first publicly presented his concept of replacing the International Monetary Fund (IMF) with a just world monetary system. LaRouche proposed the creation of an "International Development Bank" (IDB), whose chief task would be to grant long-term, project-tied credits with low interest rates, in order to make possible the urgently necessary development of infrastructure, agriculture, and industry in the developing countries. At the same time, capital-goods exports from the industrialized nations into the developing countries would lead to full productive employment here at home, where corresponding tax legislation would favor investment in technological progress, while imposing extremely heavy taxation to discourage the economy's parasitical areas—real estate speculation, building gambling casinos, etc. At minimum, the IDB would have to replace the IMF, since the latter had proven itself utterly incompetent.

The atmosphere at this press conference was tense to the bursting-point. The journalists hung onto LaRouche's every word with a mixture of terror and disbelief, as if he had just announced the slaughtering of a sacred cow. But even though these 35 scribblers noted down or tape-recorded every word, not a single word about the IDB was to appear in the next days' press—with the single exception of a note in the *Neue Zürcher Zeitung*. Instead, the oligarchical financier circles who use the IMF as their instrument, put LaRouche at the very top of their list of enemies.

For it was during this same year, 1975, that a few dozen members of the Trilateral Commission issued the 23 volumes of their so-called *1980s Project*, which proposed the precise opposite: not industrialization of the developing countries, but "disintegration of the world economy." At all costs, any "neo-mercantilist tendencies" in the Third World had to be obstructed or expunged. The IMF, far from being dissolved, was to be built into an institution of supranational control, in further preparation for the final phase of negotiations for a New Yalta Treaty.

Between April 1975 and the summer of 1976, the IDB proposal circulated to virtually every developing country, many of which carefully examined its workability, arriving at positive results. A few central banks and finance ministries in the OECD countries even did computer studies on it, and came to the conclusion, that this proposal for a reorganization of the world monetary system would indeed function, but that it was "not desirable" to put it into effect.

Then, at the August 1976 conference of Non-Aligned nations in Colombo, Sri Lanka, 85 member nations of this movement passed a resolution calling for a reorganization of

the world monetary system and a new world economic order. The contents of many passages of this resolution were in substantial agreement with LaRouche's IDB proposal. But even though it represented the wishes of over 2 billion people, this resolution, too, was completely suppressed by the press in the OECD countries. The head of Deutsche Presse-Agentur, when questioned about this, declared that it was not "newsworthy." So much for the arrogance of journalists and their respect for the interests of democratic majorities!

Already in 1975, various representatives of the Eastern Establishment, the Trilaterals, etc., and most notably Henry Kissinger, set their machinery into motion, to destabilize and topple the government of any developing nation which made itself a spokesman for the new world economic order. The very development-oriented government of Velasco in Peru was the first victim of this counteroffensive; the foreign minister of Guyana, Fred Wills, who in September 1976 had delivered a grand and courageous speech to the U.N. General Assembly, was soon dismissed from his post after the IMF brought pressure to bear on his chief of state. In 1977 in India, a mixture of Anglo-American and Soviet operations

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drove Indira Gandhi out of office; in the same year, as mentioned above, Pakistan's Ali Bhutto was overthrown and, in 1979, juridically murdered on Henry Kissinger's direct orders. And thus the ferment was neutralized, and the combination of forces which could have effected a change, was crushed.

As early as 1974, various organizations associated with me had begun to work out concrete infrastructural and industrialization programs for many regions of the developing sector. These included a detailed development program for South Africa, representing the only conceivable solution for conquering the problem of apartheid and for developing South Africa's nonwhite population out of its tribal backwardness. Through training the latter to qualify for truly productive jobs, this would create the only durable basis for their equality before the law. Since these development programs were so ambitious that they could not possibly have been carried out by the white minority alone, they also offered a non-violent means of conquering the apartheid problem. And had they been carried out, South Africa would never have had its

current famines and epidemics, nor the looming threat of a bloody race war and a Soviet takeover of the entire southern African region.

From our current vantage-point, we can see that the Yalta process was already under way in Africa at that time. In 1975 Kissinger literally handed Angola over to the Soviets, thereby substantially abetting the Soviet Union's long-term strategy of first taking over the so-called front-line nations, and then finally South Africa itself (through the Moscow-controlled ANC). One result of this, was the expulsion of approximately 2 million Portuguese from Angola, thus depriving it of a potential in people who had both the will and the knowledge to develop the African continent.

The attempts of the former head of Dresdner Bank, Jürgen Ponto (perhaps the Federal Republic's best and most far-seeing banker), Hanns-Martin Schleyer, and others to establish a fund for the development of the southern African region, was probably the specific trigger for his assassination in 1977 by the Baader-Meinhof gang, whose East bloc control points are by now beyond dispute. Schleyer was killed shortly thereafter, as if to underline the point that no one would be allowed to get out of line.

In 1979 the Fusion Energy Foundation (FEF) drew up a 40-year (i.e., two-generation) Indian development program, which received Indira Gandhi's fullest support and led to two personal meetings in 1982 and 1983 between her, my husband Lyndon LaRouche, and myself. This study demonstrated that with the appropriate investments, by the year 2020 India's total production could double the production of the entire world's population in 1979.

Since then, institutions and scientists associated with me have drafted concrete development programs for practically every part of the world—for Mexico, Central America, Ibero-America, Asia, the Persian Gulf region, the Middle East, and Central and North Africa. In the OECD countries, the Mitsubishi Research Institute has been the *only* institution to proceed from this same principle, that without state-initiated great projects, especially in the area of infrastructure, there would be no hope of industrializing the developing countries; no infrastructure—no development.

In 1977 the Mitsubishi Institute's head, Nakasone, proposed the creation of a \$500 billion fund for this purpose; the plan was reworked by FEF, and the Institute welcomed the proposed doubling of that amount. Today, the FEF and the Mitsubishi Institute have been officially commissioned by the Thai government to jointly prepare a study on the construction of a canal through the Kra Isthmus in southern Thailand. This project will cost approximately \$11 billion, and is the *only* great project which is currently in active preparation.

It is beyond question, that these projects, if they are realized, will lead to the saving of literally hundreds of millions of human lives. There would be no famine, nor would

we have the horrendous conditions of economic collapse which have brought on the AIDS epidemic, and along with it, the possible extinction of the entire human race.

The IMF, the World Bank, and the Bank for International Settlements (BIS) have not only prohibited all new development projects; through their criminal austerity conditions, they have strangled and halted many perfectly healthy and promising projects which were already in an advanced stage of completion, such as in Mexico, Brazil, Iran, Egypt, and many other countries. Since the economic catastrophe which has befallen the developing countries is by no means the result of their own mistakes or incompetence, and furthermore, since the millions of human beings who have died in the meantime from hunger or sickness did not have to suffer this as a consequence of an unavoidable natural catastrophe, but as the result of a conscious and intentional policy—we are therefore absolutely justified in saying, that the IMF and the oligarchical circles supporting it have laden their consciences with genocide on a scale one hundred times greater than that committed by Adolf Hitler.

To implement the ideals of Nicolaus of Cusa and Friedrich Schiller, Lyndon and Helga LaRouche and institutions associated with them began to shape the concept of a new world economic order starting in 1974.

If this world is to survive at all, then those responsible for this genocide must soon be led before a new Nuremberg Tribunal and must not escape punishment. But this time, the Nuremberg Trials will be conducted without the hypocrisy of the original trials, when the Yalta policy was simply being continued elsewhere.

Whenever a clear possibility of rendering assistance has been established, then the juridical situation is quite different from a situation where such assistance did not exist. In the field of civil law, we have the crime of refusal to render assistance—in religious terms, a sin of omission. And how much more heinous is that crime and that sin, when it is a matter of the lives of millions of human beings?

The history of 'Operation Juárez'

In the summer of 1982 the so-called debt crisis of the Ibero-American countries reached an unprecedented climax. The total indebtedness of the South American continent amounted to over \$300 billion, the IMF was forcing one

currency devaluation after another, and within a very few years, these currencies collapsed to a fraction of their previous value. Each devaluation was accompanied by massive capital flight from the affected countries; the drug mafia poured their illegally acquired dollars into money-laundering institutions abroad, preferably Swiss banks, in order to invest them into "serious projects" such as real-estate speculation.

Using these and other infamous IMF conditionalities—bans on imports, exclusive allocation of export revenues to debt amortization, forced renunciation of highly promising development projects, and abandonment of infrastructural improvements—the economies of the Ibero-American countries were systematically strangled.

In July 1982, at the crest of new wave of capital flight, an Ibero-American government turned to Lyndon LaRouche with a request to draw up a concrete plan for reorganizing the debt and integrating the entire continent. This document, written over the first weeks in August, was christened *Operation Juárez*, symbolically expressing the idea, that the proposed debt reorganization was directed neither against the United States, nor against the American banks, but that on the contrary, this proposal links up with the best tradition of collaboration between President Abraham Lincoln and the leader of the Mexican Revolution, Benito Juárez.

The basic concept of *Operation Juárez* (which exists elsewhere in published form and need only be briefly outlined here) foresees a series of measures which every normal, growth-oriented industrialist would deem highly sensible, namely, a reorganization of the world economy according to the same principles one would apply to a bankrupt industrial firm which has gotten into difficulties through bad management, but whose industrial capacity, albeit in a state of disrepair, is still salvageable.

Operation Juárez proposes a reorganization of indebtedness whereby short-term, high-interest obligations will first be converted into long-term credits at rates of interest ranging from 2% to 4%, and in special cases would also have a grace period of up to a few years, giving the hardest-hit countries time to recover. The dollar would once again be backed by a gold reserve; the Federal Reserve System would be replaced with a National Bank, through which the American government would provide the banking system with low-interest credit exclusively earmarked for export financing or new productive domestic investment.

The developing countries, for their part, would convert their debts into government bonds, which would be at a fixed price in their own currency and therefore be used as collateral for new, low-interest credits. In this way, we could ensure that on both sides of the transaction, the credit would be coming from the national banking system and would not be controlled by private banks. This in turn would ensure that the credits would be utilized for the projects for which they had been earmarked.

Since credits would be exclusively utilized for productive investment and technological innovation, this manner of creating money would not promote inflation, would guarantee full productive employment in the industrial nations, and in the developing countries would set into motion the urgently needed process of industrialization. Moreover, in this way we could halt all capital flight, and every sovereign national government would have complete control of their own import-export policy. The granting of credits to the other OECD countries would proceed in the same fashion.

This would solve the problems of the industrialized nations, where unemployment has now reached 50 million, by returning them to full employment at the most modern level in the course of a massive export offensive. It would also relieve the misery of the developing countries, which will be unable to survive the present catastrophe unless we export modern capital goods and transfer our technology to them. In this way, we would not only be saving millions of human beings from starvation and epidemics—which are already coming to torment us as well—but we would be opening up huge new markets and plentiful customers—instead of the bankruptcy we have now.

Operation Juárez was the basis on which López Portillo, then the President of Mexico, imposed currency controls and a de facto nationalization of the Mexican banking system on Sept. 1, 1982. Unfortunately, at that time he failed to establish Ibero-American integration and create a common market on the model of Friedrich List's German *Zollverein*; and so, soon afterwards Mexico had to give in to IMF pressure. Nevertheless, in the meantime many Ibero-American leaders have come to sorely regret their lack of solidarity, and have recognized that their own nations would never have had to be confronted with a crisis of the current proportions, had they followed Mexico's example at that time.

There is hardly a single government in Ibero-America, which has not carefully studied *Operation Juárez*, and at many subsequent conferences, such as those of the Cartagena Group, the Latin American Economic System (SELA), etc., government ministers could be literally seen going around with their copies of *Operation Juárez* tucked under their arms.

If today we are potentially on the threshold of realizing *Operation Juárez*, or have at least taken great steps forward in the process of Ibero-American integration, with the founding of an alliance to this purpose all but settled between Presidents García of Peru and Betancur of Colombia, along with a whole array of former presidents and ministers—then there have been two other factors responsible for bringing realization of this idea within reach.

To be continued

Note

22. Bernhard Hannsler, *Nikolaus von Kues als Promotor der Ökumene*, Grünewald-Verlag, p. 199.