

## European economists want LaRouche Triangle now!

by Rainer Apel

Over 100 economists and political activists from east and west Europe, meeting in Berlin on March 1-3 at a conference of the Schiller Institute, passed a resolution appealing to the governments of Europe to implement Lyndon LaRouche's "Productive Triangle" program as rapidly as possible, and indeed to make it the "centerpiece of their government policy." Only in this way can the gains of the revolutionary developments in Europe of the past two years be secured, and world peace and progress be made possible, they declared.

"Peace Through Development: Infrastructure for a Free Europe," was the theme of the conference, which discussed LaRouche's plan for a triangle of high-technology development in the area from Paris to Vienna to Berlin. This, the industrial heartland of Europe, must become the focal point of intensive development, radiating outward in "spiral arms," and providing the motor for worldwide economic recovery. Vital issues of the East European struggle for freedom, the recent calls by Pope John Paul II for a moral revival in world politics, and George Bush's project of a "new world order" were also the focus of attention of the conference, which was well attended by senior representatives of the anti-Kremlin movements in the former East bloc.

Among those attending were nine leading members of the Lithuanian Sajudis movement, eight officials of various ministries in Czechoslovakia, representatives of six political associations in Hungary, representatives of four Polish institutions, a member of the Latvian parliament, and six city council members from Armenia. There were also conference guests who held offices in state and local governments of the

five states of eastern Germany. This combination of guests guaranteed a lively, controversial debate.

A message was read to the conference (from jail) from Lyndon LaRouche, who showed how the evil character of Bush's "new world order" is plunging the world into a Thirty Years' War. (See the full text of LaRouche's address, pages 34-36.)

### **LaRouche Triangle, or Bush's imperial order**

The president of the Schiller Institute in Germany, Helga Zepp-LaRouche, outlined in her opening address how a reasonable debate following the cessation of hostilities in the Persian Gulf should proceed. The question is whether this senseless war is "an adventure without return," in the words of Pope John Paul II, the opening shot in a Thirty Years' War between the developed North and the underdeveloped South, Mrs. Zepp-LaRouche said, or whether it will spark a worldwide rebellion against the New World Order project of the Anglo-American elites. Mrs. Zepp-LaRouche explained that the elites in London and Washington had cooked up the Gulf war as a "nice little war" in order to strangle the 1989 revolution in the cradle.

She pointed at the decline of the industrial economies, with the ensuing cracks in the speculative monetary systems of the United States and Great Britain, as the prime motive behind the new bellicosity of Anglo-American policy. She called for the creation of a broad international movement to resist this policy shift, which would link up to the best heritage of the great historic phase of industrial and political

progress of late 19th-century Europe. This requires the continuation of the policies for rapid industrial and agrarian development of the German economist Friedrich List, Count Szechenyi of Hungary, Minister Hanotaux of France, and Witte and Stolypin of Russia.

She stressed that peace is only possible if it is based on real development: development of transport, infrastructure, science, and industry; development which includes the moral imperative of developing the Third World and liberating it from the economic dictates of the International Monetary Fund, and which considers the dignity of the human being as its prime objective. Only on this basis are "the best-laid plans of tyrants foiled by human freedom," as the leading mind of the German Classics, Friedrich Schiller, put it 200 years ago.

### **Infrastructure for Europe**

Jonathan Tennenbaum, representing the working group which has elaborated LaRouche's "Triangle" proposal, read a speech by Ralf Schauerhammer of the Fusion Energy Foundation, on the Transrapid/ICE rail system and the high-temperature reactor as two key areas for Europe's future economic development. Modern railways, functioning as central transport arteries for the building of industry, especially medium-sized productive industry, are just as important for the eastern part of Germany and all of Europe, as is nuclear power for the Triangle's success. The high-temperature reactor is, because of its high energy density, small size, and wide range of applications involving enhanced process heat, all based on a relatively simple technology, well-suited not only for Europe, but also for the Third World, Tennenbaum explained.

This point sparked off a lively debate which somewhat reflected the "Chernobyl syndrome" and related fears on the issue of nuclear power, but also produced a clear commitment for the development of the Third World, as is reflected in the final declaration (see Documentation).

One guest from Warsaw asked how much time would be needed to realize the Triangle. Helga Zepp-LaRouche answered that time is pressing, as one can see, for example, from the fact that just now 1 million mine workers have gone out on strike in the U.S.S.R., with the included demand that Mikhail Gorbachov resign from office. If the Soviet President were to attempt to crush this strike by force, there would be an immediate danger of civil war. The political heads of the eastern European reform movements should jointly take the Triangle program and present it to the West.

Tennenbaum added that there already exist elaborated proposals in Poland, for example, for the construction of new stretches of high-speed railway, and all that is lacking now is the political commitment and the credits to implement them. Responding to a question about the feasibility of a modern telecommunications system in Poland, Tennenbaum

declared that the Gulf war has just demonstrated how such a system can be mobilized very rapidly; if the politicians decide they want it done.

### **U.S. economic decline**

As for the situation in the land of the "victorious power in the Gulf war," the United States, Webster Tarpley—identified as "the LaRouche campaign's shadow secretary of state"—provided insight into the internal collapse of that country after 25 years of wrongheaded economic policy. Virtually nothing is left of the mobilization of American industry under Presidents Roosevelt and Kennedy, Tarpley said. President Johnson's "post-industrial" policy orientation in 1964 was the first great setback, and today, after years of rampant speculation in the banking sector, the United States is for all intents and purposes bankrupt.

It is on this basis that the Americans' induced war psychosis developed—the ideology of "Rambo against the rest of the world." The reality, on the other hand, is the collapse of industrial regions which once led the world, such as the Great Lakes region and New Jersey, into piles of rust. The reality is the drought in California caused by the lack of water supply systems, the homelessness of 5-6 million Americans, the fact that American workers' real wages are currently below 1966 levels, and the fact that almost all of the country's 14,000 banks are on the brink of collapse. In this situation, the United States is reverting to a policy of blackmailing other countries in order to force them to make up for the U.S. deficit. The Gulf war, Tarpley said, has much to do with this extortion: It is the nature of Bush's new world order.

In remarks concluding the conference's first day, Helga Zepp-LaRouche emphasized that the real task is to finish the uncompleted revolutions in eastern Europe, and to defeat the "structures of sin," the economic policies of the banks in London and New York's Wall Street. But, she warned, it is a race against time, since there is very little latitude left to avert the collapse of the world economy, and along with it, the danger of a new world war.

### **'No' also to the Kremlin's new order**

On the second day of the conference, discussions concentrated on the reforms in the former East bloc. A panel composed mostly of representatives of the East European institutions attending the conference showed that there will be no let-up in their struggle for liberation from the Kremlin. While the independence movements in the three Baltic republics—Lithuania, Latvia, and Estonia—are willing to cooperate with the neighboring Russians, they wouldn't make concessions to the power structure controlled by the Kremlin. "We want to extend our hands for cooperation to the Russians," a Latvian representative said, "but the hands will be extended across a recognized border between our states."

This was said in response to a Russian conference guest,

a former Soviet diplomat with a 25-year record in the Kremlin's service, who had charged the Baltic movements with "grave tactical mistakes," alleged discrimination against the Russian minorities (including the Soviet Army stationed there), and presented other arguments that seemed to be borrowed from the mouth of Gorbachov and the KGB.

The debate also showed clearly that in the formerly socialist East, people are following the war events in the Persian Gulf with great concern. The West's military adventure in the Gulf has led to a flagging of interest in progress and consolidation of the still young democracies in the former East bloc, and therefore fears were expressed by the Poles and Czechs, for example, that they could once again lose their newly won freedom.

One guest from Czechoslovakia voiced strong criticism of the International Monetary Fund (IMF), which, following Czechoslovakia's joining that institution, has already been wielding considerable influence in its domestic economic policies through political measures. Just as Moscow had done previously, now it is the IMF which is dictating the course of events. It became clear in the course of presentations from guests from the Baltic and eastern European countries, that if this is a new world order, then it will find no friends in the great majority of eastern Europe's population—irrespective of their inclination, otherwise, to orient toward the West. Presentations by Czech, Hungarian, and other East European representatives especially addressed the problematic course of the post-communist economic reforms which have so far produced a classic "scissors crisis"—western levels of high consumer good prices, but a continuation of low eastern levels of incomes. The degeneration of the first reform impulse of late 1989 over the past year, has made western economic practices highly unpopular in the East, including the eastern part of the newly unified Germany.

A return (as the Kremlin clandestinely hopes and works for) of eastern Europe and the three Baltic states to the previous system of Five-Year Plan economies, run under the control of Moscow, would be totally unacceptable, however. For those who liberated themselves from the "old world order" of the Kremlin, the "new world order" of the Anglo-Americans is not at all attractive, and those who oppose the liberal economists of the West, don't see the alternative in the new chaos produced by Gorbachov and the KGB under the guise of "controlled economic reform." This is why the interest in the LaRouche "Triangle" concept has grown very deep in eastern Europe over the past few weeks.

*EIR* published a book-length report on the Triangle project in the German language in 1990. Extensive extracts of the program appeared in *EIR* magazine last year, including: "The economic geography of Europe's 'Productive Triangle,'" No. 31, Aug. 3, 1990; "Toward a renaissance of nuclear energy in Europe, No. 32, Aug. 10, 1990; "High-speed railroads will transform Europe's economy," in Nos. 34, 35, and 36, (Aug 31, Sept. 14, and Sept. 21, 1990.)

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## Documentation

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*This declaration was voted up on March 3, 1991 by 100 citizens from Germany, in particular from the new German states, from Hungary, Czechoslovakia, Poland, the Baltic states of Lithuania and Latvia, Russia, Armenia, Bulgaria, Croatia, as well as from Sweden, Denmark, France, Italy and the U.S.A., who took part in the Schiller Institute conference:*

Europe had hardly won its freedom in part when the old continent was confronted again with new dangers. The Gulf war, in which hundreds of thousands of people died, was used by Moscow, to renew its repressive policy against the Baltic states. As a result of the lack of economic development, the chance for completely reshaping East-West relations was lost. Now, huge amounts are supposed to be paid for the costs of the Gulf war, which are urgently needed for the reconstruction of eastern Europe.

Following the failure of communist planned economies, there are aggressive attempts being made by liberal capitalism to occupy the vacuum in eastern Europe and the former G.D.R. The result is economic devastation, without any new productive firms growing. The ruin of developing countries and the deepening economic depression in the English-speaking world make clear that the system of Adam Smith is no more capable than that of Karl Marx to provide a solution to the economic misery of eastern Europe.

What is required is a "grand design" of European policy, which not only masters the task of reconstruction but simultaneously contributes to world development and peace. Such a plan is Lyndon LaRouche's proposed "Productive Triangle" program, which foresees the construction of infrastructure Europeanwide, including the territory of the Soviet Union. It is a plan for peace in Europe through development.

We call on the governments of eastern and western Europe, to make the "Productive Triangle" program the centerpiece of their government policy, and to make their intention fully clear, to implement the following crucial measures:

- 1) Construction of a Europeanwide high-speed rail network 12,000 kilometers long for freight and passenger transportation, which links up conventional high-speed trains to the more advanced magnetic levitation technology, and reaches from the Atlantic to the Soviet Union.

- 2) Construction of European waterways, above all, completion of the Main-Danube canal.

- 3) Replacement of the technologically obsolete and environmentally dangerous nuclear plants in eastern Europe and the former G.D.R. with the construction of inherently secure, environmentally sound nuclear power plants, like the HTGR.

- 4) Increase in the percentage of those employed in research and development to at least 5% of all employed. Priority efforts

in the fields of laser and particle beams, fusion and plasma processes, materials research (superconductors, etc.), optical biophysics, AIDS research and manned space travel.

5) A corresponding educational reform, which combines the Humboldtian education ideal with the fostering of creative thinking in the realm of modern natural science.

6) Encouragement of a productive small and medium industrial force (*Mittelstand*) in industry and agriculture through tax incentives and generous tax deductions.

7) Two-tiered credit system: low-interest (2-5%), long-term credit for investment in construction, trade, and production; high-interest credit for non-productive purposes.

8) New credit creation in the form of bonds from European national banks in the order of several billion DM per year, which are earmarked exclusively for productive investment in capital intensive areas, and therefore not inflationary.

A unique historic opportunity, like the one opened by the disappearance of the "iron curtain," demands unusual steps, as, for example, in the F.R.G., the change of Bundesbank laws regarding private credit monopoly.

If Europe's governments actually put this program into effect, they will create the conditions for immense private investments. The numerous unemployed, in part highly skilled labor, can be productively employed once again. The living standard and technological level in eastern Europe would not only reach that of western Europe, but utterly new branches of production would come into being. So, too, on a private economic basis, would a new economic miracle occur.

The realization of the "Productive Triangle" is not only the sole means to reconstruct the economy of eastern Europe and the new German states; it is also the only possibility of putting the peaceful transition from totalitarianism towards a free society in the Soviet Union on the right track, without causing civil war.

At the same time, an economic miracle in Europe is the only thing which will pull the world economy as a whole out of the depression and transform the decades-old promise of "development for all peoples" finally into reality.

In place of the "new world order" proclaimed by the Anglo-Americans, which is supposed to emerge from the war, we strive for a just, new economic order, which secures peace, in that all peoples are given the same opportunities for economic and social development. For, development is the name for peace.

*The conference also unanimously passed a resolution that called for LaRouche's immediate release from prison:*

We consider it a loss which mankind can no longer tolerate, that the author of this program, Lyndon LaRouche, is in jail, innocent, as a political prisoner in the United States. We therefore appeal urgently to the Pope and the United Nations Human Rights Commission, to stand up for the immediate release of Lyndon LaRouche.

## France pays price of its mendacity

by Jacques Cheminade

*This has been translated and adapted from an article written for the French newspaper Nouvelle Solidarité.*

After the military phase proper of the Gulf war, we are now entering the economic phase. This will no longer be between the "coalition" and Iraq, but, fundamentally, between the United States and Great Britain, and the rest of the world. Europe will particularly find itself targeted, as François Périgot, the president of CNPF, the French employers' association, has already pointed out.

The most idiotic illusion will have been for France to think it could be assured a seat at the victory feast, by pleading that it contributed its troops to the "coalition" effort. Illusions aside, French President François Mitterrand will receive no better portion than his friend Mr. Hosni Mubarak of Egypt.

The United States will use the lever of its military "success" in order to impose trade and monetary warfare within the Group of Seven industrialized countries, just as it did at the recent "Uruguay Round" of the General Agreement on Tariffs and Trade (GATT). In fact, the American machine is so deeply in the grip of its financial priorities that it can no longer itself produce the substance by which it assures its future; it seeks, hence, to take it from others by economic and military means.

### Economic phase of war

As indicated by an article by Robert Graham in the *Financial Times* of London, which found its way into the French-language *Courier International* of Feb. 21-27, Iraq is being required to ante up somewhere around \$200 billion, the sum of its previous debt plus reparations for war damage. In the language of the *Financial Times*: "The anti-Iraqi coalition has a strong chance of achieving, in conducting economic warfare, the objectives it was unable to attain during battle."

The poor "allies," such as Syria and Egypt, certainly benefited from having some debts canceled, but are unlikely to reap any increase in the infrastructural investments they sorely need to overcome their poverty.

As for the "rich" allies (the Emirs, Saudi Arabia), they