

LaRouche's New Bretton Woods Must Be the Fruit of the Jubilee

by Nina Ogden

The following article was written to accompany Lyndon LaRouche's writings on his New Bretton Woods System proposal, for a series of discussions in anticipation of the Nov. 5 Jubilee Day for Government Officials.

American statesman and economist Lyndon LaRouche has characterized the 20th Century as one of catastrophe. In his essay "Jesus Christ and Civilization" (*EIR*, Oct. 6, 2000), LaRouche states:

As I have repeatedly warned of late, events have already reached the point which I had warned would have arrived, *unless* certain prescribed changes were instituted. Despite my repeated warnings of the need to reverse the policies which have created this risk, the refusal of governments and others to heed my warnings has now already brought the U.S.A. into the final phase of an onrushing, global financial collapse. Worse, that onrushing, global financial collapse, threatens now to plunge global civilization into a *threatened* new dark age for all humanity. . . .

That presumed, now look at the deeper, essential, longer-range aspects of the problem. Consider the fact, that history, as we presently know it, has been dominated by cycles of collapse, and, sometimes, at best, recovery. Therefore, how might we be assured, now, that even if we were to rescue humanity from the effects of the presently onrushing global financial and monetary collapse, by the measures which I have proposed, that our thus-revived civilization will not begin to slide back, a generation or two later, into a new round of collapse, a collapse perhaps even worse than that which menaces us at the present moment, a collapse to be suffered by your children or grandchildren.

The two issues so identified and distinguished, are linked to a third, overriding consideration. Is it possible, that even the mastering of the immediate financial crisis, requires that we must also act now to overcome the more distant threat of a new dark age? In other words, though I have shown how the world could recover from the presently onrushing global financial collapse, perhaps the world will not adopt the option I have given it. Is there, then, some deeper, longer range sickness

within the world's presently leading institutions, which, as seems probable at this moment, would prevent the world from accepting such a workable, near-term recovery program?¹

Pope John Paul II's decision to publish the "Third Prophecy of Fatima" in Spring 2000 constitutes a call for repentance to the whole world for the events of the 20th Century. In a commentary on the publication of the Third Secret of Fatima, Cardinal Joseph Ratzinger, Prefect of the Congregation for the Doctrine of the Faith, puts forward the interpretation that the third secret deals with the events of the 20th Century—and therefore, with things now in the past. But he also makes it very clear, that the terrors and the false doctrines of the 20th Century carry forward into our new century ("that it [the world] might be reduced to ashes by a sea of fire, no longer seems pure fantasy").

Cardinal Ratzinger writes:

To understand the signs of the times means to accept the urgency of penance, of conversion, of faith. This is the correct response to this moment of history, characterized by the grave perils outlined in the images to follow. . . .²

In his 1984 Apostolic Letter *Salvifici Doloris*, "On the Christian Meaning of Human Suffering," Pope John Paul II wrote, that the world of suffering

. . . at some periods of time and in some eras of human existence, becomes, as it were, particularly concentrated. This happens, for example, in cases of natural disasters, epidemics, catastrophes, upheavals and various social scourges: one thinks, for example, of a bad harvest and connected with it—or with various other causes—the scourge of famine. One thinks finally, of war. I speak of this in a particular way. I speak of the last two World Wars, the second of which brought with it a much greater harvest of death, and a much heavier

1. Lyndon H. LaRouche, Jr., "Jesus Christ and Civilization," *EIR*, Oct. 6, 2000.

2. Joseph Cardinal Ratzinger, quoted in *EIR*, July 21, 2000, pp. 38-39.

burden of human sufferings. The second half of our century, in its turn, brings with it—as though in proportion to the mistakes and transgressions of our contemporary civilization—such a horrible threat of nuclear war that we cannot think of this period except in terms of an incomparable accumulation of sufferings, even to the possible self-destruction of humanity. In this way, that world of suffering which, in brief, has its subject in each human being, seems in our age to be transformed—perhaps more than at any other moment—into a special “world”: the world which as never before has been transformed by progress through man’s work and, at the same time, as never before, in danger because of man’s mistakes and offenses.³

Sixteen years later on World Youth Day, in the year of the Great Jubilee, at the Tor Vergata University campus outside Rome, the Pope rallied the more than 2 million young people who had gathered there, to take action in the battle for the good. He told them:

It is Christ who provokes in you the desire to make of your life something great, the will to follow an ideal, the refusal to let yourself be swallowed by mediocrity, the courage to engage yourself with humility and persevere to improve yourself and society, making it more humane and brotherly. . . . Today you are here gathered to state that in the new century you will not lend yourselves to being instruments of violence and destruction; you will defend peace, paying even with your person if necessary. You will not be resigned in the face of a world where other human beings starve, are illiterate, have no job. You will defend life in each moment of its Earthly development, you will use all of your energy to make this Earth more and more livable for everybody.

In this year of the Great Jubilee, the Pope shows us the way, not only to the remission of sin in the degraded acts of individuals, but also in what he has identified as “the structures of sin.” Not to uproot these vicious structures, which have caused the suffering of the majority of the people in all the nations of the world, would be a tragedy.

The immediate step called for by Pope John Paul II, guided by Scripture, is the remedy of debt forgiveness, which the Senate and the Chamber of Deputies of the Italian Parliament passed into law in June—cancelling the foreign debt of all the developing nations owed to the nation of Italy. The cry for this debt forgiveness has been heard from the suffering nations of the world, who have called on the lender nations to be Good Samaritans, real neighbors to the poor, and act, as

3. Pope John Paul II, *Salvifici Doloris* Apostolic Letter “On the Christian Meaning of Human Suffering” (Boston: Daughters of St. Paul Books, 1984), Chapter 8, pp. 11-12.

the Italian Parliament has, to cancel the debt. At the June 22 hearings of the Congressional Bicameral Jubilee 2000 Commission in Argentina, Msgr. Héctor Aguer, Archbishop of La Plata, noted that debt forgiveness cannot be offered only to the poorest countries at the point that they can no longer pay. Foreign debt threatens Argentina’s ability to effectively constitute a free, just, and sovereign nation. “You can guess what our epitaph would be,” Monsignor Aguer said: “Here lies the Argentine Republic. She lived paying, and died owing.” If the creditors don’t stop their looting, he warned, “they won’t find in the debtors even that classic pound of flesh, which Shylock—until now, the most famous of creditors—has demanded.”

Beyond Debt Moratorium

On the first weekend in November, parliamentarians from the whole world will gather in Rome in recognition of the Great Jubilee. One would hope that the parliamentarians of the creditor nations would be able to report that they, like their Italian colleagues, have passed into law effective plans for the cancellation of the debt. One would also hope that they will take up the other paradigmatic action of the Italian Parliament, where a motion was introduced in favor of the establishment of a New Bretton Woods agreement.

Why must there be action beyond the forgiveness of the debt? What has caused the situation Monsignor Aguer described, and not only for his nation? We need only turn to Pope Paul VI’s *Populorum Progressio*, “On the Development of Peoples,” to find:

The development of people has the church’s close attention, particularly the development of those peoples who are striving to escape from hunger, misery, endemic diseases and ignorance; of those who are looking for a wider share in the benefits of civilization and a more active improvement of their human qualities; of those who are aiming purposefully at their complete fulfillment. Following on the Second Vatican Ecumenical Council, a renewed consciousness of the demands of the Gospel makes it her duty to put herself at the service of all, to help them grasp their serious problem in all its dimensions and to convince them that solidarity in action at this turning point in human history is a matter of urgency.⁴

It is helpful for us to look at Paul VI’s *Populorum Progressio*, written in 1967, and see that the basic problems which he identified, which could have been solved with relative facility at that time, have now become so deeply embedded in the fabric of society, that the most deluded and evil activities are now popularly accepted as an unchangeable state of affairs. Further proving the urgency, he says:

4. Pope Paul VI, *Populorum Progressio* “On the Development of Peoples” (Boston: St. Paul Editions, 1961) Section 1, p. 3.

Development cannot be limited to mere economic growth. In order to be authentic, it must be complete: integral; that is, it has to promote the good of every man and of the whole man. . . . In the design of God, every man is called upon to develop and fulfill himself, for every life is a vocation. . . . But each man is a member of society. He is a part of the whole of society. It is not just certain individuals, but all men who are called to this fullness of development. Civilizations are born, develop and die. But humanity is advancing along the path of history like the waves of a rising tide encroaching gradually along the shore. We have inherited from past generations, and we have benefitted from the work of our contemporaries: for this reason we have obligations toward all, and we cannot refuse to interest ourselves in those who will come after us in the human family.⁵ . . .

We want to be clearly understood: the present situation must be faced with courage, and the injustices linked with it must be fought against and overcome. Development demands bold transformations, innovations that go deep. Urgent reforms should be undertaken without delay.⁶

Next, he states something which has become almost unthinkable in the West today: “[I]ndividual initiative alone and the mere free play of competition could never assure successful development.”⁷ In the chapter, “Beyond Liberalism”—a shocking title for today—Pope Paul VI spells it out:

In other words: the rule of free trade, taken by itself, is no longer able to govern international relations. . . . The teaching of Leo XIII in Rerum Novarum is always valid: if the positions of the contracting parties are too unequal, the consent of the parties does not suffice to guarantee the justice of their contract and the rule of free agreement remains subservient to the demands of natural law⁸ [emphasis added].

It seems impossible that at the present time of horrible suffering,

- when the President of the United States has had to declare AIDS and other infectious epidemic diseases a national security threat;
- when it is increasingly reported in the European press and elsewhere, that the presently rotted-out world monetary and financial system is facing a chain-reaction collapse;
- when the Holy Father’s pleas for relief for the suffering people of the world are so passionate; and

5. *Ibid.*, Sections 15-18.

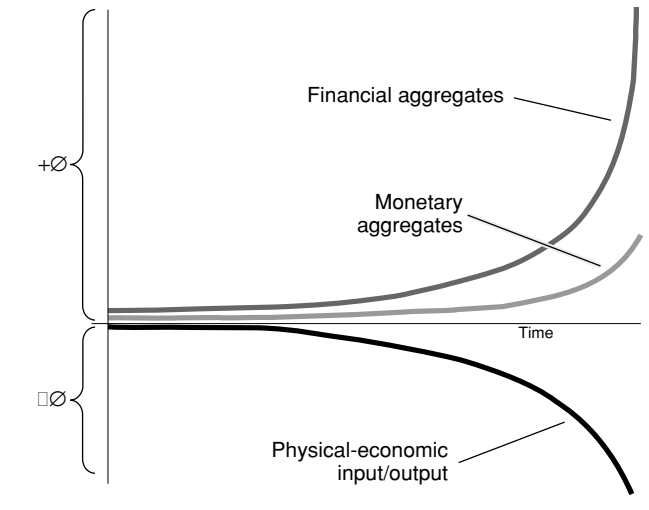
6. *Ibid.*, Section 32, p. 20.

7. *Ibid.*, Section 33, p. 20.

8. *Ibid.*, Section 58, pp. 35-36.

FIGURE 1

LaRouche's Typical Collapse Function



- when a whole century of social encyclicals so clearly locate the dangerous consequences of the free-trade policies now hegemonic in world affairs,

that there would not be a determination by those who work in the area of economics to create an effective, fundamental solution to these problems.

In his World Peace Day 2000 message, the Pope called for “a new and deeper reflection on the nature of the economy and its purposes” in light of the accelerating rate of problems posed by globalization. Yet, so far—outside Italy—the only responses have been papers and conferences whose premises are the very free-market axioms which have themselves created the crisis! When the April 30 Rome Conference “On Ethics and Finance,” organized by the Centissimus Annus-Pro Pontifice Foundation, chose as its draft document, “Global Economy and Finance: Problems and Perspectives for the Year 2000,” the outcome was foredoomed. The foundation chose to focus on the one area of finance—the *bubble*—that is increasingly divorced from the physical economy itself. The foundation’s document says it was chosen because, “For the past 20 years, finance has been the fastest-growing sector of the world economy, which has led to a financialization of globalization.” In reality, it is the cancer which is killing the world’s physical production, as Lyndon LaRouche’s “Triple Curve” function (**Figure 1**) shows.⁹ Thus, the conference remained locked into the bubble, attempting to coat financial speculation with a deodorant labelled “ethics,” and thus sanitize the odor of the present system’s decay.

Father Drew Christiansen, S.J., an adviser to the Vatican

9. Lyndon H. LaRouche, Jr., “We Are at the End of an Epoch,” keynote speech to the Conference of the International Caucus of Labor Committees and the Schiller Institute, Eltville, Germany, *EIR*, Jan. 1, 1996.

on world trade issues, identified the problem in a May interview with Catholic News Service:

Father Christiansen said many people, including Michael Novak, . . . resident scholar at the American Enterprise Institute located in Washington, D.C., talked about micro-enterprise and so on, but micro-enterprise doesn't build highways, ports, airports, communications infrastructure, or health care, or education systems.¹⁰

One must identify the difference between nominalist economic doctrines and what *Populorum Progressio*, in the chapter on "Christian Vision of Development," calls "authentic" economic ideas, which promote the good of the whole man. In *Populorum Progressio*'s "Liberal Capitalism" section, Paul VI writes:

It is unfortunate that in these new conditions of society a system has been constructed which considers profit as the key motive for economic progress, competition as the supreme law of economics, and private ownership of the means of production as an absolute right that has no limits and carries no corresponding social obligation.

It is simply not possible to say, as the "Global Economy and Finance" document does, that derivatives or other speculative instruments, currency speculation, or any of the activities that make up the "New Economy" today, can, in any way—if treated "ethically"—solve the needs of the poorest of the poor—or meet the criteria of Christian economics. U.S. President Franklin D. Roosevelt's Second Inaugural Speech, "A Rendezvous with Destiny," states the correct approach:

Governments can err, Presidents can make mistakes. But the immortal Dante tells us, that Divine justice weighs the sins of the cold-blooded and the sins of the warm-hearted on different scales. Better the occasional faults of a government that lives in the spirit of charity than the consistent omissions of a government frozen in the ice of its own indifference.

Reading the social encyclicals, and the writings of Lyndon LaRouche, searching for solutions to the economic crisis facing all the nations, one is doubly surprised—by the virtue and justice of LaRouche's intervention into the culture of death, and also by the sharpest censure of the shibboleths of currently popular social and economic practice by the authors of the social encyclicals themselves. The very beginning of Pope John Paul II's *Laborem Exercens*, "On Human Work,"

10. John Norton interview with Rev. Drew Christiansen, S.J., Catholic News Service, May 2, 2000.

written in 1981 on the 90th anniversary of *Rerum Novarum*, states that our economic life depends on work:

The Church finds in the very first pages of the Book of *Genesis* the source of her conviction that work is a fundamental dimension of human existence on earth. . . . Man is the image of God partly through the mandate received through his Creator to subdue, to dominate, the earth. In carrying out this mandate, man, every human being, reflects the very action of the Creator of the universe.¹¹

These profound but basic ideas are found not only in *Laborem Exercens*, but also in every other social encyclical. In *Populorum Progressio*, "Action to be Undertaken, the Universal Purpose of Created Things," spells this out: "Fill the earth and subdue it: the Bible, from the first page on, teaches us that the whole of creation is for man, that it is his responsibility to develop it by intelligent effort and by means of his labor to perfect it, so to speak, for his use."¹²

LaRouche's Policy

LaRouche stands alone today, as the author of the "New Bretton Woods" strategy. This measure has already been introduced by members of the Italian Senate and European Parliament into their respective bodies. LaRouche's proposals for:

1. A New Bretton Woods—a meeting of *all* nations to agree on a new monetary system to replace the present bankrupt one;
2. Construction of a New Silk Road-Eurasian Land-Bridge, to provide "development corridors" to bring productive technologies eastward, and to Africa;
3. "On a Basket of Hard Commodities: Trade Without Currency,"¹³ an interim measure to be used by regional groupings of nations now for their economic development.

These concrete proposals are the way to actually *implement* the Church's social teaching, as expressed in the encyclicals cited.

Lyndon LaRouche's 1991 book, *The Science of Christian Economy*, in its opening chapter, "On the 100th Anniversary of *Rerum Novarum*," discusses this connection. LaRouche cites *Rerum Novarum*'s concluding sentence in Section 72: "For laws are to be obeyed only insofar as they conform with right reason and thus with the eternal law of God." LaRouche then cites Leo XIII's footnote in *Rerum Novarum* from St. Thomas Aquinas's *Summa Theologica*, which defines an unjust law:

11. Pope John Paul II, *Laborem Exercens*, "On Human Work" (Washington, D.C.: Office of Publishing Services, U.S. Catholic Conference, 1981), Section 4, pp. 9-10.

12. Pope Paul VI, *op. cit.*, Section 22, p. 14.

13. Lyndon H. LaRouche, Jr., "On a Basket of Hard Commodities: Trade without Currency, *EIR*, Aug. 4, 2000.

“Human law is law only in virtue of its accordance with right reason: and, thus it is manifest that it flows from the eternal law. And insofar as it [man-made law — LHL] deviates from right reason it is called an unjust law; in such case it is not law at all, but rather a species of violence.”

A hundred years ago, *Rerum Novarum* treated the remedying of the evil then being run by a “devouring usury” which, “although often condemned by the Church, but practiced nevertheless under another form by avaricious and grasping men, has increased the evil” effected by the handing over of workers, “each alone and defenseless, to the inhumanity of the employers and the unbridled greed of competitors.”

At the time of the assassination of U.S. President John F. Kennedy at the end of 1963, approximately three quarters of a century had passed. It appeared to most observers then, that the pleas for economic justice in *Rerum Novarum*, if not yet successful, were assuredly on the way to becoming so.

In the so-called “industrialized capitalist” sectors of this planet, the trade-union movement and other meliorist agencies had won, and were continuing to win, cumulatively invaluable and putatively permanent gains in human rights for most strata of the populations. Although a vicious form of neo-colonialism had been established at the end of the 1939-45 World War, the spirit of the United Nations Organization’s First Development Decade Project, and the U.S. Kennedy Administration’s Alliance for Progress, suggested a commitment to global justice paralleling and perhaps echoing the rise of the civil rights movement inside the U.S.A. itself.

During the middle of the 1960s, that hopeful direction of development was reversed. During the recent quarter-century, social conditions in most parts of the world are far worse, on the average, than during the 1960s, and threaten to become soon far worse than 100 years ago.

The impulses for evil which have caused this recent calamity are not altogether new. A conspicuously leading cause of the greatly increased immiseration and endangerment of the human species, during the past quarter-century, has been the willful murderousness with which such forms of the old “devouring usury” as so-called “International Monetary Fund (IMF) conditionalities” have been so shamelessly applied to the precalculable effect of rapid and large-scale increases of death rates by means of malnutrition, disease, and related mechanisms.

LaRouche concludes that one of the most striking features of this new evil, is the dominant influence of the so-called “New Age,” sometimes expressed as the “rock-drug-sex counterculture,” and increasingly irrationalist, mass-murder-

ous expressions of neo-Malthusianism and anti-progress “ecologism”:

What is notable on these accounts is the increasingly emboldened way in which these two evils, the “New Age” and usury, have exhibited their natural affinities for one another, combining their forces in even the highest places of Anglo-American power, to demand, in the misused name of “freedom” and “ecology,” the rapid extermination and global outlawing of every scientific and moral barrier which has hitherto existed as impediments to rampaging immiseration and dictatorial oppression of mankind.¹⁴

At the time LaRouche wrote this book in 1991, the two formerly hegemonic economic dogmas of this planet, those of Karl Marx (1818-83) and Adam Smith (1723-90), had collapsed, in the first case, and, in the second case, had impoverished the majority of people in nations adhering to it, and accelerating their deaths. It is long past time to heed Leo XIII’s condemnation of that “devouring usury,” and prevent the sins of the 20th Century from continuing into the 21st. The world needs LaRouche’s New Bretton Woods solution, now.

14. Lyndon H. LaRouche, Jr., *The Science of Christian Economy* (Washington, D.C.: Schiller Institute, 1991) pp. 207-209.

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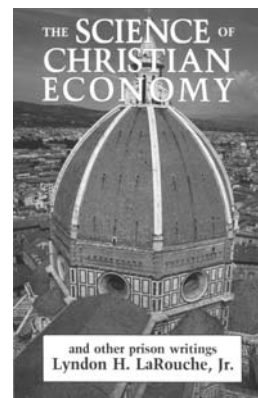
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