

For a true Fourth U. N. Development Decade

A Schiller Institute Policy Proposal

This proposal was prepared under the direction of Lyndon H. LaRouche, Jr. and his wife Helga Zepp-LaRouche. Lyndon LaRouche is a physical economist who has devoted his life to development economics. He is currently a political prisoner in the United States. Helga Zepp-LaRouche is the founder and chairwoman of the Schiller Institute as well as the founder of the Club of Life. It was submitted under the title "For a True Fourth U.N. Development Decade: A Concrete Solution to the World Economic Breakdown Crisis; A Discussion Paper for the 46th Regular Session of the U.N. General Assembly," by Warren A.J. Hamerman on Sept. 12, 1991.

I. Introduction: the current world crisis

The Fourth U.N. Development Decade officially began this year, 1991, at a moment of unparalleled importance in all human history.

The current world economic crisis is unbearable for mankind.

At the same time the breathtaking events which have unfolded in the former Soviet Union and eastern Europe over the past few months have given hope to all mankind and truly made this a unique historic moment—a time when freedom is in the air.

Yet, the vast majority of the peoples on earth from Asia, Africa, the Middle East, Ibero-America, eastern Europe, and the poor (especially the minorities) in the United States live in total misery, starving and diseased, without adequate shelter and medical care.

The current situation of world collapse has been caused by the complete breakdown of the international monetary system founded in the Bretton Woods agreements which established the basis for the International Monetary Fund (IMF), World Bank and related institutions. The ongoing and imminent breakdown of the Anglo-American monetary system broke those Bretton Woods agreements as a functioning world financial system.



U.S. Department of the Interior

Dams and canals making up the San Luis Unit of the Bureau of Reclamation's Central Valley Project in California. Huge projects to provide clean water supplies are needed the world over, but the World Bank and IMF have denied the credit to build them.

This actual breakdown of the functioning Bretton Woods system occurred back in the period 1968-1972, and was caused by the collapse of the Anglo-American financial system. The breakdown began with the collapse of the British pound in 1967, the removal of the U.S. dollar from the gold standard in 1971, and the failure of the Azores Conference in 1972. Thus, for a period of over two decades the world has not had a coherent monetary system. Under the influence of policies such as deregulation of banking, pure speculative bubbles of the sort deplored by French Nobel Laureate Maurice Allais have proliferated.

To hold up these gross speculative bubbles, the economies of the world have been sucked dry. The remnants of the Versailles and Bretton Woods financial systems are shattered.

The more the basic conditions of man collapse, the more AIDS and cholera take victims at alarming rates. The health breakdown of mankind is closely linked to poverty, as indicated by the spread of two "marker diseases" for acute poverty—AIDS and cholera. As can now be charted, the epidemiology of HIV conforms to the deep pockets of world poverty—from Central Africa to New York City. Cholera disease and deaths are directly associated with the breakdown in public health such as basic sanitation.

Far from being an economic colossus, America is in a state of depression collapse. For instance, studies show that approximately 20% of the inner-city black and Hispanic populations in New York City are already HIV-positive.

Similar rates of HIV-positives were measured by scientists in the inner-city ghetto of Baltimore, Maryland.

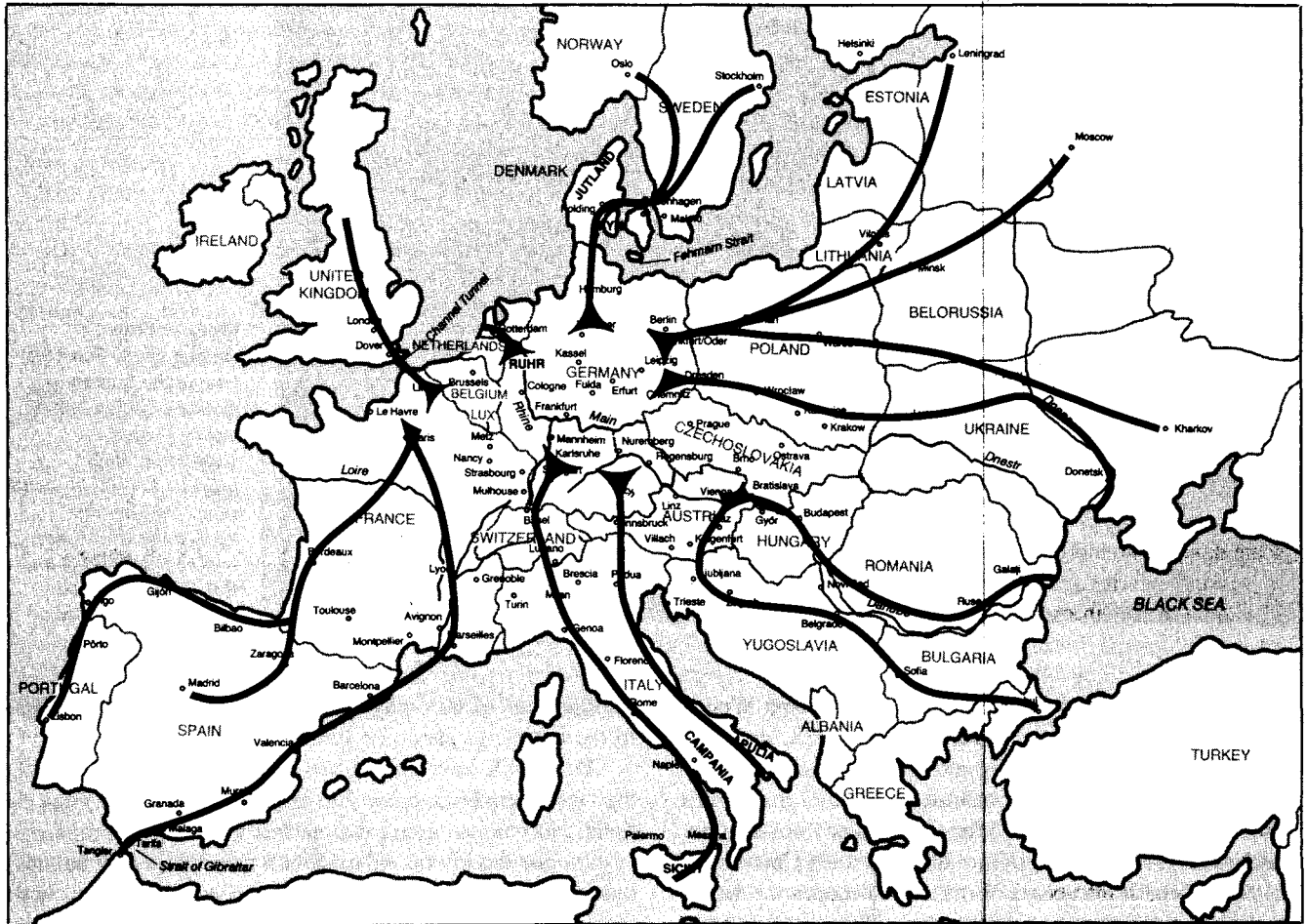
The proliferation of pandemics is caused by the fact that the world economic crisis has reached catastrophic proportions. No one can doubt that neither the Marxist economic system nor the liberal Adam Smith free market economics has proven able to deliver food, shelter, education, and medical care for the majority of the people suffering under these collapsing economic systems. For instance, in eastern European experiments, both the Marxist system and radical free market approaches have proven to be equal failures.

The greatest part of mankind today lives in fear of repression without the inalienable rights, dignity and securities appropriate to the sacred children of God. Many in the Third World who have witnessed the invasion of Panama, the support given the Tiananmen Square massacre in Washington, or the unjustified economic sanctions still being imposed against innocent Iraqi children or the unfolding genocide being encouraged against Croatian freedom fighters, fear that were they to exert their sovereign rights to self-development, they would be risking economic warfare or even military invasions.

II. The alternative: a True Fourth Development Decade

Therefore, the time has come to replace the dictates of a New World Order imposed upon the peoples of the earth by the ruling elites in Washington, London, and a handful of

FIGURE 1
LaRouche's Paris-Berlin-Vienna Productive Triangle



other nations with a *New, Just World Economic Development Order*, by adding “justice” and “economic development” back into the plan for the world community of nations.

The political form of this proposal must take its guidelines from the tendency of our age—as events have been heading in the former Soviet Union—to reject “Empire” and instead promote a “*Community of Principle Among Sovereign Nation States*.”

We propose as the principal theme for this community of principal among sovereign nation states the following:

- *A True Fourth Development Decade*

Since the remnants of the Versailles and Bretton Woods system are shattered, it is necessary to start with a new monetary system.

The new monetary system should be based upon a combination of proven methods which the nations of the world can agree to—a combination of the original Bretton Woods gold reserve (*not* gold standard) arrangement with the American System of national banking which the George Washington

administration under Alexander Hamilton adopted in the form of the First National Bank of the United States.

In this arrangement new credit is generated for productive investment in industry, agriculture, and transport when other sources of public credit have broken down. The new credit is prioritized through long-term low interest investments into such productive infrastructure and research and development in order to create ever new technological improvements. By achieving advances in productivity through technology, the power of man’s labor is increased.

So as not to repeat the mistake of the Soviet economic system, by infrastructure we do not only mean large-scale enterprises. Infrastructure associated with small-scale entrepreneurs and family farms plays a vital role in promoting development together with great projects. Among the nation states of the former Soviet Union, means for coordinating economic development are still required.

Respect for national sovereignty is the *sine qua non* for all development. The “one world” conception is hostile to

the idea of national sovereignty. In contrast, the community of principle is based on the notion of national sovereignty.

National sovereignty itself rests upon a common spoken and written language and is expressed through poetry and music. A common spoken and written language is necessary to communicate policy. Populations cannot function as informed citizens unless there is a common basis for cooperation on the same set of principles. To tamper with the idea of national sovereignty, condemns mankind to the tragic fate of the Tower of Babel.

Credit mechanisms have to be in accord with national sovereignty, since credit is created and regulated at the level of sovereign nations. National credit systems, organized through a national bank along the design of the new American republic during the late eighteenth and early nineteenth centuries, not over-reliance on borrowing from abroad, is the foundation of productive economic investment and output.

● *A True Fourth Development Decade* is based upon a desire to end the spread of chaos through the world monetary system by returning to a twofold policy of:

1) long-term, low-interest rates for investment in large-scale development projects;

2) stable parities among currencies.

These aims can only be achieved through once and for all discarding the International Monetary Fund and related institutions, and replacing them with a new institution based upon the historic ideas of development and economic justice developed by the opponents of radical free market approaches—Leibniz, Colbert, List, Hamilton, Carey, Stolypin, Witte and Sun Yat Sen—and carried into the modern era by the school of physical economy associated with Lyndon H. LaRouche, Jr.

The coming-into-being of the new institution ought to be the natural outcome of an immediate Preparatory Meeting with the mandate to:

1) establish a coordinating committee for large-scale regional development projects throughout the world;

2) launch an emergency global effort to halt the spread of deadly pandemics and famine by producing the means to raise the standard of living of all people;

3) establish the basis for issuing long-term, low-interest loans for development and currency stability based upon such a new, hard credit system.

The mandate for this Preparatory Meeting shall be strictly controlled by three limiting principles:

1) protection of national sovereignty;

2) a definitive end to usury and slavery;

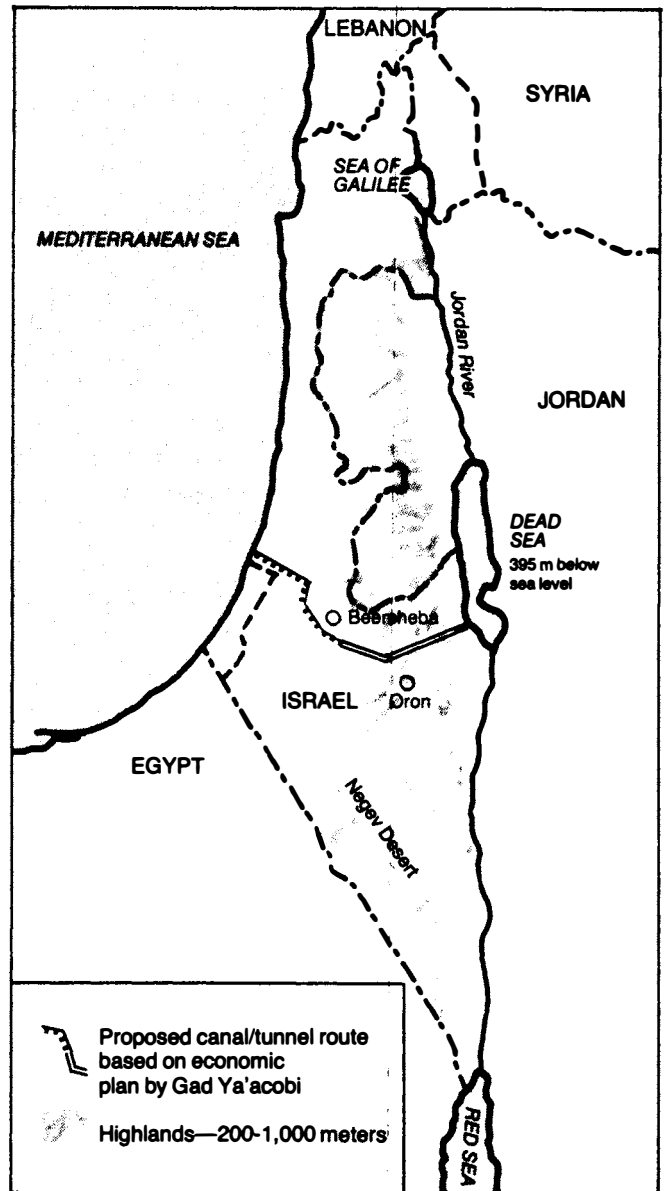
3) a recognition that health and physical well-being is an inalienable right of man.

III. Why the first three Development Decades failed

In advancing the proposal for a True Fourth Development Decade, we should briefly identify the twofold reasons why

FIGURE 2

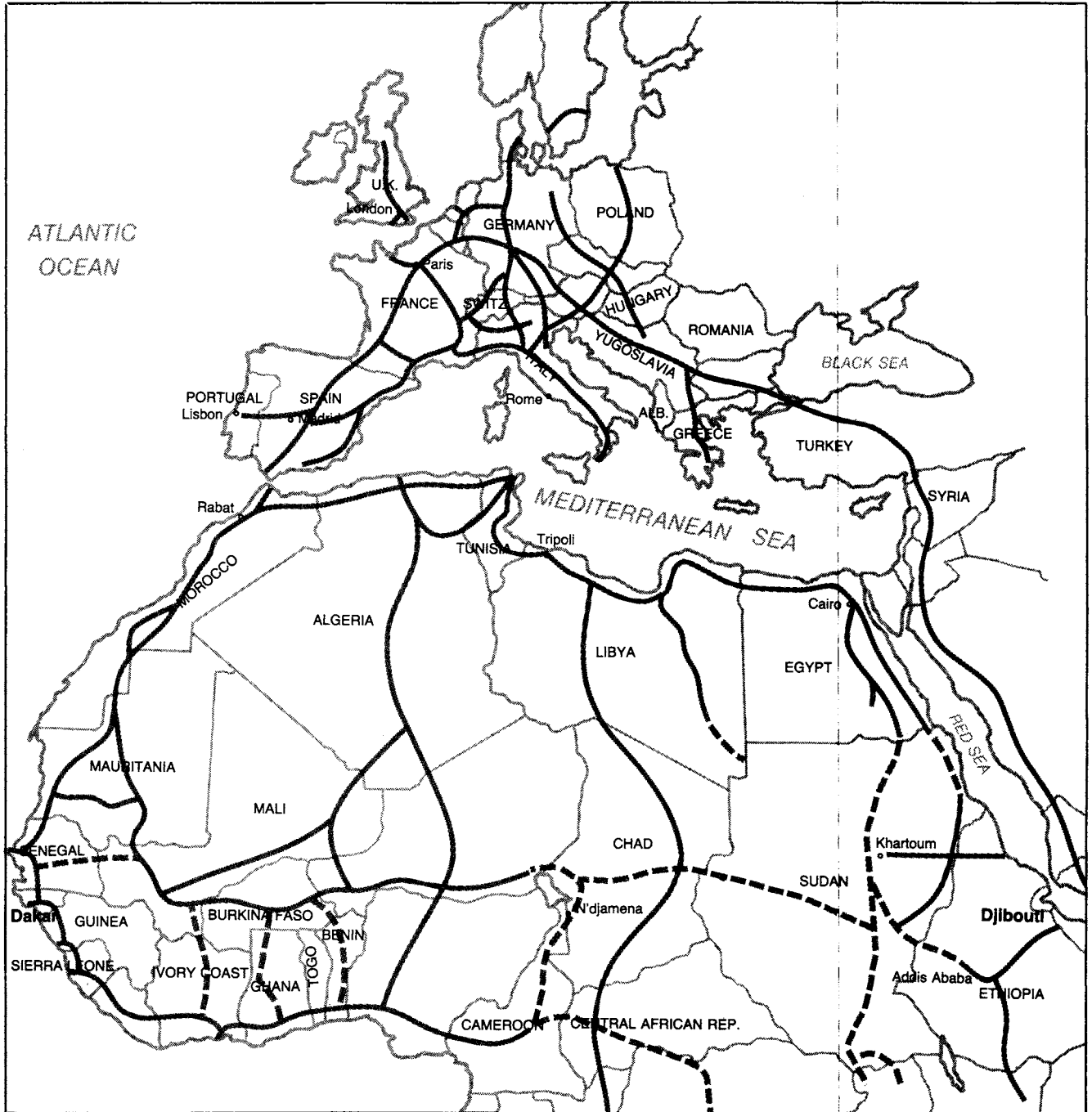
The Mediterranean-Dead Sea Canal proposal



Various Israeli proposals existed in the 1970s for a combined canal-tunnel connecting the Dead Sea to the Mediterranean. As proposed by Prof. Haim Ben-Shahar, former president of Tel Aviv University, the project was more an energy program, and not a water project. But the strides that have been made in desalination processes and nuclear power reactor technology make the old dreams come alive again.

Late last year, Lyndon LaRouche revived this program as part of his "Oasis Plan" that would provide an economic basis for Arabs and Israelis to mutually develop their parched region, and in that context, arrive at agreeable political settlements.

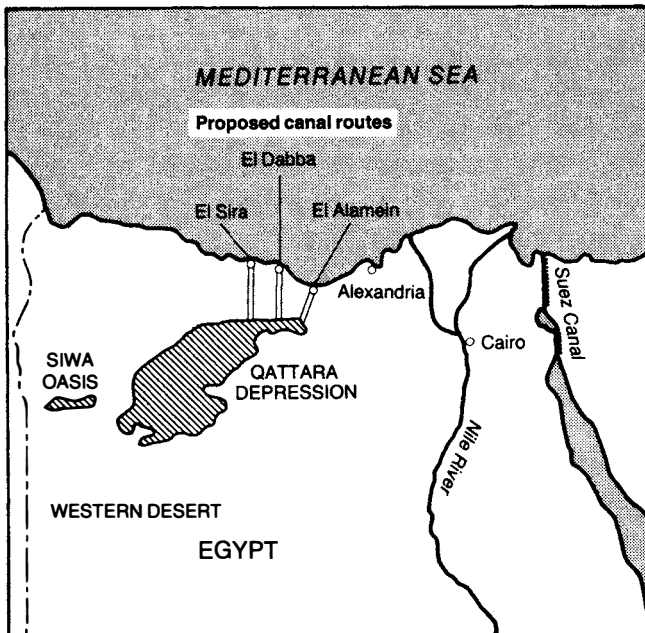
FIGURE 3a
Proposed Dakar-Djibouti rail route



Most existing rail lines in Africa presently run from the interior outward, i.e. to transport raw materials for export. A proposed east-west rail line would unify the continent, allowing it to develop its economy. Moreover, a new proposal for a tunnel spanning the Strait of Gibraltar would tie Africa's development into the Productive Triangle in Europe.

FIGURE 3b

Gattara Depression project



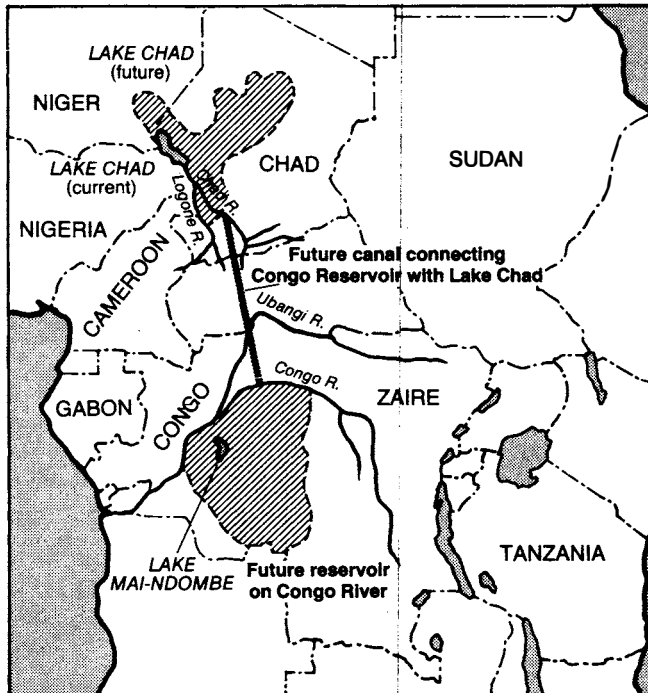
The Qattara Depression project is a large, dry sinkwell in northern Egypt, 35 miles from the coast, and 140 miles from Cairo, lying about 200 feet below sea level, and extending 185 miles from north to south. If filled by a proposed canal from the Mediterranean, it would create an inland saltwater lake the size of Lake Ontario. Like the Dead Sea Canal plans, the Qattara Depression project was conceived as an energy development scheme. The hollow is rimmed by steep escarpments, perfect for hydropower—were water available—which could both provide power to Cairo and pump fresh ground water up from the surrounding desert region. Desalination plants could play a role in recharging the underground waters, and, with agriculture and other vegetation, a new hydrologic cycle could be created because of the man-made lake.

the first three Development Decades failed.

Reason #1: The aims of development were aborted because the world financial monitoring institutions left over from the World War II era—namely, the International Monetary Fund, World Bank, GATT, Bank for International Settlements—did not establish their policies with democratic policy representation among the vast majority of nations. Furthermore, these institutions were established before the breakup of empires and therefore reflected neo-colonial biases in their structures and policies. Now that many of these institutions and the handful of global banking institutions whose interests they serve, have proven themselves unprepared and incapable of adjusting to global developments, they can be brushed aside for the creation of new, more

FIGURE 3c

African central lake



Mitsubishi's Global Infrastructure Fund in the early 1980s proposed "control of the flow of the Congo River by building a dam to create a vast lake in the Congo and Chad regions of Central Africa. . . ." This would be an immense project, bringing about hydrological, ecological, and climatological change permitting cultivation of 800,000 square miles, more than five times the amount of arable land in Japan, for instance, where 110 million people live.

freedom-ordered post-colonial institutions.

Reason #2: Certain ruling elites were determined to reimpose the old order even at the cost of brutally conducting large-scale racial, malthusian genocide on a scale 100 times worst than Hitler. For instance, a series of formerly classified documents authored by U.S. National Security Advisers Henry Kissinger and Brent Scowcroft in the period 1974-1977, argued that conceptions such as "the new world economic development order" created "excessive optimism" among the peoples of the Third World, would encourage their increase in population, and were therefore a national security threat to the United States. The most explicit of these documents was National Security Study Memorandum 200, or NSSM 200, and was entitled "Implications of Worldwide Population Growth for U.S. Security and Overseas Interests." It targeted 13 Third World nations for radical depopulation programs and disparaged the efforts of the movement for a New World Economic Order and the Vatican for encouraging economic optimism and resistance to depop-

FIGURE 4a
South American integration polygon



FIGURE 4b

Integration of the Orinoco, Amazon, and Rio de la Plata basins



ulation plans. These documents were only recently declassified by the U.S. government. Can it be doubted, therefore, why Lord Carrington, a member of the firm Kissinger Associates, Inc., for instance, is proving himself a cynical perpetrator of bloodshed in the way that he has handled the mediation of the Yugoslav crisis at the Hague?

IV. What is a true Fourth Development Decade?

The absolute features of a True Fourth Development Decade are fourfold:

1) Absolute respect for the *sovereignty* of nation states, their populations, institutions, and natural resources for their own self-development. Thus, the Fourth Development Decade emphatically rejects the conception of “softer sovereignty” which certain ruling elites in the North would impose upon the nations of the South.

2) Absolute commitment to provide the minimal require-

ments for life to all mankind through a global commitment to economic development and scientific and technological transfer to all nations so as to modernize agriculture, infrastructure, and industry. Thus the Fourth Development Decade aims, in its first phase, at waging a global war against AIDS, cholera, and other diseases which are afflicting the vast majority of mankind from the desperate populations of Central Africa to the black and Hispanic ghettos of New York City.

3) Absolute commitment to the idea that each and every man, woman and child on the face of the earth is a sacred individual made in the image of God with the divine right to economic development. Thus, the Fourth Development Decade will resist all forms of direct and indirect forms of “genocide,” or neo-malthusian racial demographic warfare, waged against the non-Anglo-Saxon populations of the world.

4) Absolute commitment to establishing new institutions to finance and invest in the primacy of economic development, productive economic progress and technological development. Thus, the Fourth Development Decade rejects the arrogance of bankrupt financial institutions to maintain usury, debt service strangulation, and resource looting over the right to life of billions. Already in the August Preparatory Meeting of UNCED for the Brazil '92 Summit in Geneva, voices from the South raised the issue that means for debt relief, technological transfer, and economic development must be established before environmental burdens and “green conditionalities” are imposed on nations already overburdened with oppressive financial “conditionalities” imposed from the outside.

The absurdity of the debt and usury oppression of the world economy is demonstrated by the case of Ibero-America. In 1980 the debt of all Ibero-American nations was \$243 billion. Through the course of the 1980s, these nations paid out \$321 billion in interest payments alone. Yet, at the end of the decade they owed \$429 billion. Furthermore, they lost a minimum of \$158 billion through capital flight which means that their capital exports through the decade was \$479 billion or nearly one-half trillion dollars in payouts, at the end of which they owed nearly double what they did in the beginning.

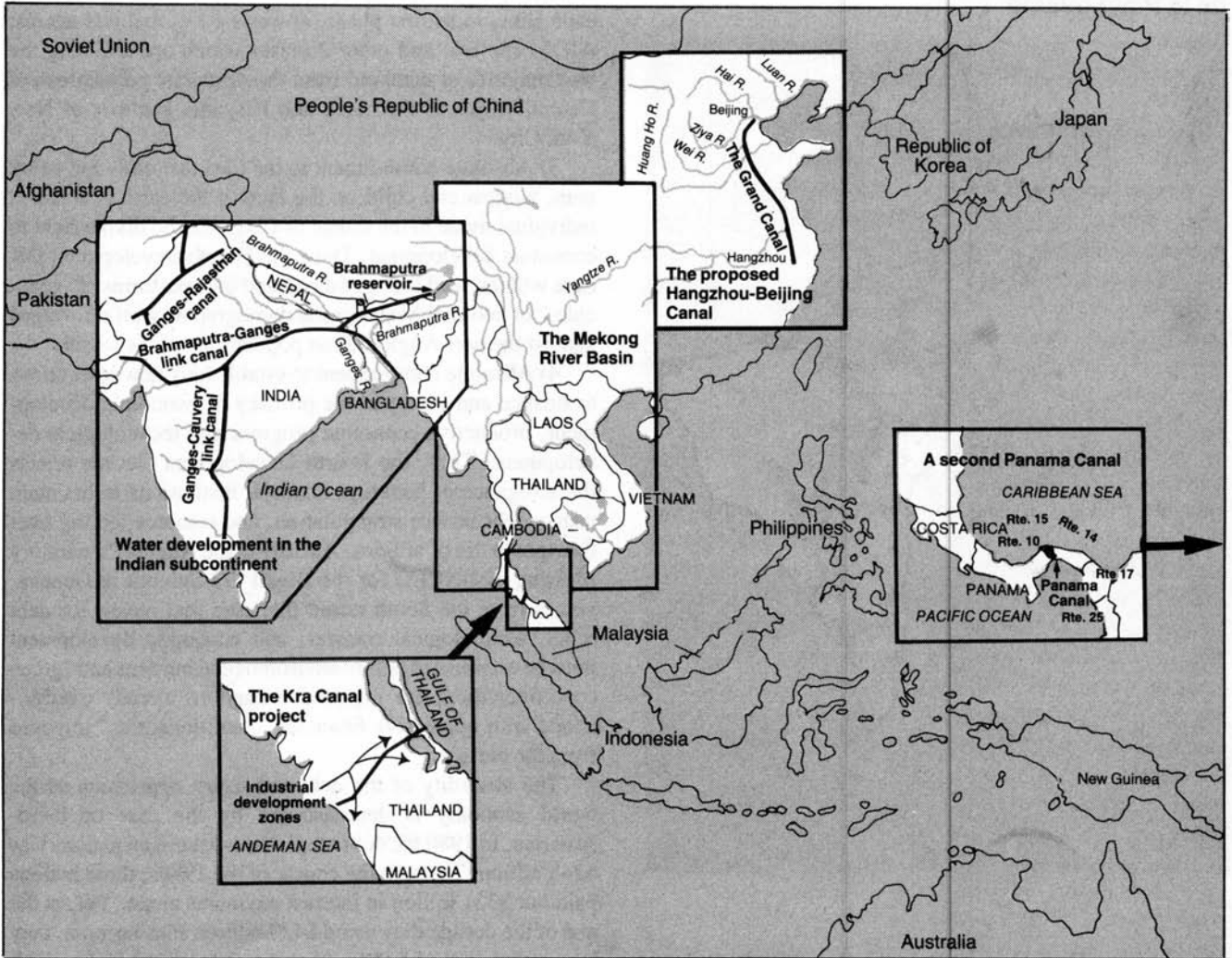
In terms of the net export of physical capital the picture is even more dramatic. The trade surplus of Ibero-America through the decade of the 1980s was \$218 billion. When the terms of trade (\$180 billion) is added the total net export of physical capacity becomes \$399 billion. When the net capital flight is added, the figure becomes \$535 billion in physical loot taken out of Ibero-America between 1980-1990, or 13% of the productive GNP of the entire continent.

V. How to initiate the Fourth Development Decade

Third World voices have already been raised in August in Geneva in protest to the planned Earth Day Summit—Eco-

FIGURE 5

Indian Ocean-Pacific basin development projects



92—in Brazil. Voices have pointed to the urgent necessity of addressing the issues of Third World debt and technology transfer as the precondition for any workable effort to preserve the environment.

Therefore we propose to postpone indefinitely the Rio Summit.

In its stead, we propose a Preparatory Meeting for a Fourth Development Decade Conference with the mandate and limiting principles described above. The establishment of a Coordinating Committee for Regional Development Projects is encouraged to begin its deliberations with consideration of the following development proposals which were developed by Lyndon LaRouche and his collaborators over the past two decades:

1) The Productive Triangle Proposal for Western and Eastern Europe: the unleashing of the economic develop-

ment potential in the “triangle” between Berlin, Vienna and Paris as a productive “engine” for the world economy. Through the construction of high-speed rail lines, the economic output from this area will be transferred via radiating arms from the triangle into eastern, southern, and northern Europe as well as the Middle East and Maghreb.

2) An Oasis Plan for the Middle East designed to “green the deserts” through large-scale water purification and irrigation projects. The plan includes the creation of artificial rivers and peaceful nuclear energy-driven desalination projects for revitalizing the entire economy of the region.

3) A series of Great Projects for Africa including: the construction of a trans-African East-West Railway from Dakar to Djibouti; transforming the Qattara Depression into a man-made lake; damming the Zaire River to create an inland lake which would provide water to fill Lake Chad for the

purpose of greening the Sahara; completion of the Jonglei Canal in Sudan to make it into a breadbasket.

4) The Ibero-American Integration Plan which includes the following projects: a second Panama Canal; a Northern Mexican Water Development Project; the "polygon of development" to construct a canal system to connect the Amazon Basin with the Rio de la Plata across Brazil, Argentina, Bolivia and Uruguay and build an East-West railway across the continent through Brazil, Bolivia and Peru.

5) A series of Great Projects for Asia including: the Pacific and Indian Ocean Basin Project; the Ganges-Brahmaputra development project for water management; the Mekong development project; the construction of the Kra Canal in Thailand.

6) The United States requires a vast program of urban, agricultural, and industrial infrastructure revitalization which has as its aim the realization of Martin Luther King's dream of economic justice for *all* its citizens. Specific programs for the U.S. would include the North American Water And Power Alliance (NAWAPA) plan for water and power increase, building a rapid transport system through maglev [magnetic levitation] and other systems; rebuilding cities, basic industries, and the capital-goods export capability.

The development project orientation outlined above includes generalized debt moratoria and the construction of new cities founded around nuclear-powered industrial complexes (*nuplex*) in each area, and is vectored toward a commitment to encourage a space program with the aim of colonizing Mars and incorporating the Moon into man's economy in the first third of the twenty-first century.

The moment is propitious to realize such ambitions because of recent promising scientific breakthroughs in the energy field.

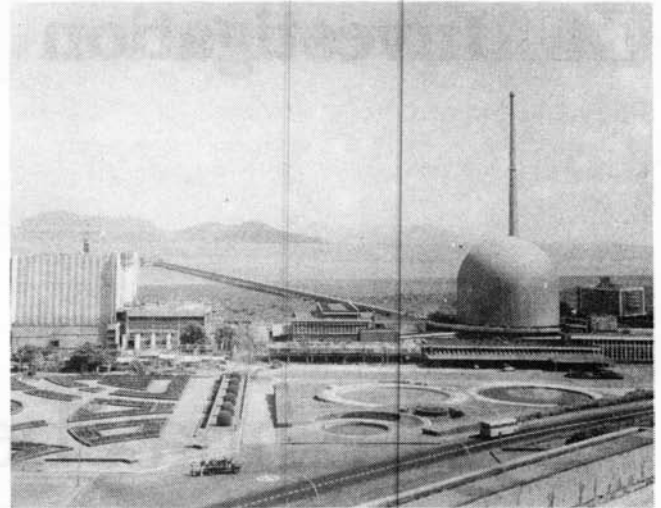
The world has long dreamed for a safe, vast and inexpensive energy supply, and has long looked to the promise of *fusion energy*, the same energy means which safely powers the sun. In March of 1989 scientists first announced breakthroughs in a process known as cold fusion, which added to systematic breakthroughs in hot fusion energy research.

The desirability of providing large amounts of safe and cheap energy to empower world economic development on the scale envisioned above, establishes the necessity for a worldwide crash fusion energy research program. Scientists from many nations should be encouraged to embark on this enduring scientific renaissance.

Each of the programs referenced above is the subject of detailed feasibility studies among teams of scientists and economists.

VI. U.N. authority

In contradistinction to the consequences of the New World Order which certain ruling elites would impose, perpetuating genocide, war, famine, disease, and global depression, the proposal for a True Fourth Development Decade



The proposal for a Fourth Development Decade also foresees the building of new cities based on nuclear-powered industrial complexes called "nuplexes." Above, India's Bhabha Atomic Research Center. Note the extensive gardens in the foreground.

described above is consistent with the principles enshrined in the following international instruments:

1) Universal Declaration of Human Rights (adopted and proclaimed by General Assembly resolution 217 A III of 10 December 1948).

2) International Covenant on Economic, Social and Cultural Rights (adopted and opened for signature, ratification and accession by General Assembly resolution 2200 A XXI of 16 December 1966).

3) International Covenant on Civil and Political Rights (adopted and opened for signature, ratification and accession by General Assembly resolution 2200 A XXI of 16 December 1966).

4) General Assembly resolution 1803 XVII of 14 December 1962, "Permanent Sovereignty over Natural Resources."

5) Convention on the Prevention and Punishment of the Crime of Genocide (approved and proposed for signature and ratification or accession by General Assembly resolution 260 A III of 9 December 1948) and related instruments.

6) Slavery Convention signed at Geneva on 25 September 1926 and related instruments and protocols condemning servitude and forced labor.

7) Universal Declaration on the Eradication of Hunger and Malnutrition (adopted on 16 November 1974 by the World Food Conference and endorsed by General Assembly Resolution 3348 XXIX of 17 December 1974).

8) Declaration on the Use of Scientific and Technological Progress in the Interests of Peace and for the Benefit of Mankind (proclaimed by General Assembly resolution 3384 XXX of 10 November 1975).

9) Declaration on the Right to Development (adopted by General Assembly resolution 41/128 of 4 December 1986).