

'For a True Fourth United Nations Development Decade'

A Schiller Institute Policy Proposal

The proposal excerpted below was prepared under the direction of Lyndon H. LaRouche, Jr. and his wife Helga Zepp-LaRouche. 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. It appeared in EIR on Sept. 27, 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. . . .

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.

This actual breakdown of the functioning Bretton Woods system occurred back in the period 1968-72, 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 system are shattered. . . .

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 Euro-

pean 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, 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 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 principle 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 invest-

ments into such productive infrastructure and research and development in order to create ever newer 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. . . .

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 18th and early 19th 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.

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 requirements 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 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 during 1980-90, or 13% of the productive GNP of the entire continent.

V. How to initiate the Fourth Development Decade

. . . 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 development 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 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 United States 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 a nuclear-powered industrial complex (*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 21st century. . . .

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 powers the sun. In March 1989, scientists first announced breakthroughs in a process known as cold fusion, which added to systematic breakthroughs in hot fusion energy research. . . . Scientists from many nations should be encouraged to embark on this enduring scientific renaissance. . . .

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 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).