

nations, the formulation of laws and the administration of public affairs at every level. We ought then to inquire as to the nature, the demands, and the aims of politics, in order to act as Christians and as persons conscious of the excellence and, at the same time, the difficulties and risks which politics entails.

2. Politics is the use of legitimate authority in order to attain the common good of society: a common good which, as the Second Vatican Council declares, embraces “the sum of those conditions of social life by which individuals, families and groups can achieve complete and efficacious fulfillment” (*Gaudium et Spes*, 74). Political activity ought therefore to be carried out in a spirit of service. My predecessor Pope Paul VI rightly affirmed that “politics is a demanding way of living the Christian commitment to serve others” (*Octogesima Adveniens*, 46).

Hence, Christians who engage in politics — and who wish to do so as Christians — must act selflessly, not seeking their own advantage, or that of their group or party, but the good of one and all, and consequently, in the first place, that of the less fortunate members of society. In the struggles of life, which can at times be merciless and cruel, not a few are “crushed” and are inevitably cast aside. Among these I cannot fail to mention those who are imprisoned. . . .

Justice must indeed be the fundamental concern of political leaders: a justice which is not content to apportion to each his own, but one which aims at creating conditions of equal opportunity among citizens, and therefore favoring those who, for reasons of social status or education or health, risk being left behind or relegated to the lowest places in society, without possibility of deliverance.

This is the scandal of the affluent society of today’s world, in which the rich grow ever richer, since wealth produces wealth, and the poor grow ever poorer, since poverty tends to additional poverty. Not only is this scandal found within individual nations, but it also has aspects which extend well beyond their borders. Today, especially, with the phenomenon of the globalization of markets, the rich and developed nations tend to improve their economic status further, while the poor countries — with the exception of some in the process of a promising development — tend to sink into ever more grievous forms of poverty.

3. I think with profound distress of those areas of the world afflicted by endless wars and hostilities, by endemic hunger and by terrible diseases. Many of you share my concern for this state of affairs which, from a Christian and a human point of view, represents the most serious sin of injustice found in the modern world. It must therefore deeply disturb the conscience of Christians today, especially those who, since they guide the political, economic and financial mechanisms of the world, are in a position to determine — for better or for worse — the destiny of peoples.

Truly, there needs to be a greater spirit of solidarity in the world, as a means of overcoming the selfishness of individuals

and nations. Only in this way will it be possible to curb the pursuit of political power and economic wealth with no reference to other values. In a now globalized world, in which the market, which of itself has a positive influence on human freedom and creativity in the economic sector (cf. *Centesimus Annus*, 42), nonetheless tends to be severed from all moral considerations, and to take as its sole norm the law of maximum profit, those Christians who feel themselves called by God to political life, have the duty — quite difficult, yet very necessary — to conform the laws of the “unbridled” market to the laws of justice and solidarity. Only in this way can we ensure a peaceful future for our world and remove the root causes of conflicts and wars: *peace is the fruit of justice*. . . .

The LaRouche Record

A 25-Year Fight for a New Economic Order

For the past quarter-century, Lyndon H. LaRouche, Jr. has led a fight for a new, just, world economic order, against the bankrupt and genocidal system of the International Monetary Fund and the London and Wall Street financier oligarchy. We begin our chronology with LaRouche’s 1975 call for an International Development Bank, and trace the political battle for a worldwide debt moratorium—a battle whose results can now be seen reflected in the Vatican’s Jubilee initiative. We then document LaRouche’s efforts, beginning in January 1997, to establish a New Bretton Woods system. Thanks in part to numerous visits to Italy by Lyndon and Helga LaRouche, this campaign created a core group of Italian political leaders committed to the New Bretton Woods perspective, who constituted the key organizing force behind the Nov. 4-5, 2000 Jubilee conference in Rome.

April 24, 1975: Lyndon H. LaRouche, Jr., at a press conference in Bonn, West Germany, calls for the restructuring of international economic and financial relations, including the formation of an International Development Bank, to issue credit for the promotion of industrial and technological development, especially of the developing sector. The proposal is elaborated in a pamphlet titled *IDB: How the International Development Bank Will Work*.

Aug. 19, 1976: Reflecting the widespread circulation of LaRouche’s IDB proposal, the Non-Aligned Movement, meeting in Colombo, Sri Lanka, issues a resolution calling for “a complete restructuring of international economic relations,” to bring about “a new world economic order.” Under-

lining the principle of the sovereignty of nations, the resolution calls upon governments to, among other things, “urgently determine a satisfactory solution to the problem of public debt, especially for the least developed and most affected countries.”

Sept. 27, 1976: Guyana’s Foreign Minister, Fred Wills, addresses the United Nations General Assembly, calling for “alternative structures like international development banks” to bring about an equitable global system. “The time has come for a debt moratorium,” he affirms.

June 1982: LaRouche meets with Mexican President José López Portillo in Mexico City, discussing the burgeoning debt crisis in Ibero-America.

Aug. 2, 1982: LaRouche issues a book-length report entitled *Operation Juárez*, which proposes a comprehensive global debt reorganization, and the economic integration of Ibero-America.

Sept. 3, 1982: Mexican President López Portillo nationalizes Mexico’s banking system, in defiance of the International Monetary Fund. Ultimately, the other nations of the hemisphere fail to back him up, and the measures are reversed.

From 1982 through 1996, the LaRouche movement continued to organize for a new world economic order, with events too numerous to mention.

Jan. 4, 1997: LaRouche addresses a forum of the FDR-PAC in Washington, D.C. laying out a broad policy orientation for the second Clinton administration, centering around two proposals: that the U.S. President convene an international conference to establish a “new Bretton Woods system,” to put the world economy through bankruptcy proceedings and to reorganize it for productive development; and that the United States join in global projects of benefit to all mankind, with a special focus on the Eurasian Land-Bridge program. This was the first major, public announcement of LaRouche’s New Bretton Woods policy.

“The general nature of the solution is obvious,” LaRouche said. “We had a financial system and a monetary system, from 1946 through 1966, which more or less worked. It was called the old Bretton Woods system. The system was based, not on gold currency, but on a gold reserve system. The function of the gold reserve system was to keep currencies, relative to one another, at fairly constant values. This meant that if you loaned money to someone, that the currency of the fellow to whom you loaned, would have approximately the same value five years from now, that it had today. So you didn’t have a borrowing premium that you put on the loan, based on the expectation of the fluctuation of the currency.

“To promote long-term trade and investment in international markets, requires stable relations among currencies. And, the function of the Bretton Woods system, the original one, was to provide that mechanism, and to induce governments to maintain stable relations, that is, discipline among their currencies on a gold reserve basis.

“Under that policy, we in the United States operated on

what was called a national economic security policy, which was a key part of our postwar national security policy. That is, we had a protectionist policy, in effect, and we encouraged other governments to have protectionist policies, because it was our desire that we be able to trade with these countries, which we could not do, in a stable way, unless they had fairly stable currency values. Therefore, if they needed something, if they needed to protect a certain industry, we would encourage them to do so, with tariffs and other protective agreements. We would enter into multilateral agreements, or bilateral agreements, with various countries for the purposes of mutual economic protection, to protect their sugar growth, or to protect this particular industry, and so forth, because we knew that the protection of that industry as a source of income and wealth inside the country, and on the international markets, was *essential* to maintain the value of that friendly country’s currency. And that’s the way we did it.

“Also, long-term borrowing was cheap in the international markets. If you wanted to invest in a country, the long-term costs were cheap, at 1-2%, for example, in many cases. Or, you would have agreements of various kinds, which would reduce it, effectively, to that. So therefore, we could export, as the Germans could, and so forth—we could export capital to developing countries, at fairly favorable terms, particularly those which had some labor force, an agricultural industrial labor force, with some potential.”

The return to such a system, LaRouche said, means that the President of the United States must launch a general monetary and financial reform, to prevent a financial collapse from plunging the planet into chaos. “That means, the President must say, ‘We are going to proceed to put what we know to be bankrupt financial and monetary institutions, into bankruptcy, that is, into receivership, for financial reorganization under the supervision of government,’ the same thing you do with a local bank if it goes bankrupt. The relevant state or Federal institution must come in and put that bank into receivership, take it over, and process it, try to protect some of the depositors, and things of that sort, to prevent social chaos, to prevent that thing from becoming a spreading disease within the society, and to try to see what we can salvage out of it, in an orderly way, as opposed to a chaotic way.

“Therefore, the United States must act, together with other powers, to put the world into bankruptcy reorganization. *Every financial system, every banking system in the world, is presently bankrupt!* Particularly those that are involved in derivatives.

“Therefore, the United States must take leadership, international leadership, in proposing a new Bretton Woods, which would be a good term for it, which is what I’ve proposed—that we’re going to go back to the principles of the Bretton Woods system in its best years, and the United States, as the principal prospective partner in such agreement, will try to get every nation that’s willing to go along with this idea, to assemble and do it. And, those that *don’t* wish to go along

with it, that's just tough, we're going to go ahead with it anyway.

"That means that we have to create new banking systems, which is very simple to do, on the basis of the Hamilton model. We go to *national* banking. We use the relevant article of Section I of the Federal Constitution, to create new issue of currency, not calling in the old one, the old Federal Reserve notes, but *terminating* further issuance of Federal Reserve notes, using that currency on deposit with the National Bank, as a means of credit to get the U.S. economy going, and get some other things going in international trade. . . ."

"Our concern is not who's got a favorable or unfavorable balance of trade; our concern is to make sure that all the members of a community of nation-states become prosperous. And, therefore, our concern is that they become prosperous and secure, just as their concern is that we should remain prosperous and secure. And, therefore, we can make trade agreements and tariff agreements on that basis. . . ."

Feb. 13, 1997: Italian Sen. Publio Fiori, leader of the opposition party Alleanza Nazionale (AN) and former Transport Minister, introduces a parliamentary question to the government, asking whether, in view of the ongoing disintegration of the international monetary and financial system, Italy should undertake emergency measures, such as a New Bretton Woods conference and a tax on derivatives speculation.

Feb. 15, 1997: LaRouche delivers keynote address to a conference of the Schiller Institute and International Caucus of Labor Committees in Reston, Virginia, titled "Toward a New Bretton Woods Conference." He calls for the audience to forge the preconditions to enable President Clinton to convene, with other heads of state of leading nations, a New Bretton Woods conference to create a new, stable, global monetary system to replace the bankrupt IMF system.

Feb. 15-17, 1997: "Urgent Appeal to President Clinton To Convoke a New Bretton Woods Conference" endorsed by participants in the Presidents' Day conference of the Schiller Institute and International Caucus of Labor Committees, meeting in Reston, Virginia. The Appeal is initiated by the founder of the Schiller Institute, Helga Zepp-LaRouche, and Ukrainian economist Natalia Vitrenko, member of the Supreme Rada (Parliament) of Ukraine. In subsequent months, the text is circulated worldwide for endorsement by public figures. (See text, in this issue.)

Feb. 19, 1997: LaRouche addresses an FDR-PAC forum entitled "Why IMF Policy for Eastern Europe and Russia Must Be Scrapped." He calls for "a war of annihilation against the IMF." Russian economist and political leader Dr. Tatyana Koryagina, and Ukrainian parliamentarians Natalia Vitrenko and Volodymyr Marchenko also address the forum, on the murderous consequences of IMF policies in their countries.

April 10, 1997: Lyndon and Helga LaRouche are the keynote speakers at a conference organized in Rome by *EIR* and his Italian co-thinkers, the Interational Civil Rights-Soli-

darity Movement. LaRouche's proposal for a New Bretton Woods is supported by Senator Fiori, as well as by representatives of Italy's state-sector industries.

April 2, 1998: Lyndon and Helga LaRouche address a meeting in Rome on the New Bretton Woods. The briefing is attended by Members of Parliament (both the Chamber of Deputies and the Senate), economists, journalists, and diplomats.

March 11, 1999: Helga Zepp-LaRouche addresses a Rome conference, sponsored by *EIR* and the International Civil Rights-Solidarity Movement, on the need for Italy to join the "Survivors' Club" and work to establish a New Bretton Woods and to build the Eurasian Land-Bridge.

Feb. 9, 2000: Italian Deputies Michele Rallo (AN) and Alberto Simeone (AN) ask the Italian government to comment on the necessity of a New Bretton Woods.

Feb. 16, 2000: Italian Sen. Riccardo Pedrizzi and other 22 Senators from the opposition parties of the "Polo della Libertà" coalition, introduce a first motion to the Senate, calling for a New Bretton Woods. Similar resolutions are presented later to the City Councils of Milan and Rome, and to the Regional Council of the Lombardy region.

Feb. 16, 2000: Italian Member of the European Parliament Cristiana Muscardini (AN) presents a parliamentary inquiry from the European Parliament in Strasbourg on the New Bretton Woods to the European Commission.

March 7, 2000: Four Italian Members of the European Parliament introduce a resolution in Strasbourg calling for a New Bretton Woods.

April 7, 2000: The call for an Ad Hoc Committee for a New Bretton Woods is issued, and circulated worldwide for endorsement by government officials and other dignitaries. (See text in this issue.)

July 23, 2000: LaRouche speaks on the New Bretton Woods in the Cenacolo Room of the Italian House of Deputies in Rome. The invitation was extended by Sen. Giovanni Bianchi (Partito Popolare Italiano) who has been the promoter of a legal decree, later approved unanimously by both Chambers of the Parliament, for a debt moratorium for the developing countries.

Oct. 7-9, 2000: Lyndon and Helga LaRouche visit Ascoli Piceno, Italy, for public and private meetings.

Oct. 12, 2000: LaRouche addresses an informal hearing of the Foreign Affairs Committee of the Italian Parliament (Chamber of Deputies) in Rome, on the subject of "the reform of the Bretton Woods system, the present oil crisis, and the roots of inflation."

Oct. 19, 2000: Italian Sen. Riccardo Pedrizzi and 24 other Senators of several parties, both of the opposition and of the government coalition, present a second motion to the Senate, calling for a New Bretton Woods. The next day, the same motion is presented to the Interparliamentarian Group for the Jubilee 2000, the main organizer of the Assembly of the Members of the Parliaments of the World, held in Rome on

Nov. 4-5.

Nov. 4, 2000: The Italian Catholic daily *Avvenire* publishes an article, titled “25 Senators of the Opposition Say: We Need a New Bretton Woods.” *Avvenire* reports: “To commit the government to a ‘new international conference at the level of heads of state and government like the one which took place in Bretton Woods in 1944, with the aim of creating a new international monetary system and of taking measures to stop the mechanisms which created the speculative bubble and of launching programs which relaunch the real economy.’ This is what is demanded by a motion presented by 25 Senators of the opposition and of the center parties of Catholic inspiration belonging to the Parliamentary Group for the Jubilee. It will be examined on Nov. 4 and 5 at the Vatican, on the occasion of the Jubilee of the Parliamentarians.”

Schiller Institute Organizing Campaign

The following Appeal to President Clinton was adopted by acclamation at the Presidents’ Day conference of the Schiller Institute and International Caucus of Labor Committees, meeting in Reston, Virginia on Feb. 15-17, 1997. The first two signers of the call are the founder of the Schiller Institute, Helga Zepp-LaRouche, and Ukrainian economist Natalia Vitrenko, member of the Supreme Rada (Parliament) of Ukraine. The Schiller Institute circulated the call worldwide for endorsement by government and other leaders. The text follows:

Urgent Appeal to President Clinton To Convoke a New Bretton Woods Conference

The world economy, with the exception of China, is faced with an accelerating collapse of industrial capacity and the skyrocketing of unemployment, which has led to a political mass-strike process, shaking the foundations of many governments and social institutions around the world.

The unavoidable bursting of the international derivatives bubble, or any relevant political event, could trigger a chain-reaction of stock market crashes and banking crises in many countries, leading toward the vaporization of the international financial system within a matter of days. The political, social, and military consequences of such a systemic crash would be incalculable.

Meanwhile, the tragedy of the so-called IMF reform policies in the former Soviet Union is now playing out, in the form of a monstrous collapse of production, a demographic disaster, and an unprecedented criminalization of society, which has resulted in an even worse and more rapid catastrophe than has already occurred in Ibero-America and Africa. If the present course of these international policies is not

changed, entire nations will vanish from the map of the Earth, as is already demonstrated in Africa. And, as the conditions in Bulgaria and Albania illustrate, even Europe can plunge into a new dark age in a very short time. Germany, for example, has reached de facto the same level of unemployment as when Hitler came to power.

Thus, many governments, parliamentarians, and leaders of social institutions are confronted with the unacceptable dilemma, that if we are to fulfill the conditionalities of the IMF, or such requirements as those of the Maastricht Treaty or the Balanced Budget Amendment in the United States, we would have to act against the most vital interests of the people whom we represent. But the international financial institutions have no right to require that the debt to them be paid with a pound of flesh of each of our citizens.

The U.S. Declaration of Independence states:

“When in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume among the powers of the Earth the separate and equal station to which the Laws of Nature and of Nature’s God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.”

In this spirit we say, that not for “one people,” but for the peoples of the world, it has become necessary not to dissolve the political, but the financial bands with the presently hegemonic financial institutions.

In the Declaration it is further stated: “But when a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide New Guards for their future security.” Such a condition has emerged, threatening to throw our entire human civilization into chaos and barbarism.

Therefore, we appeal to you, President Clinton, to use the Powers of the Presidency of the United States, to convoke, on an emergency basis, a new international Bretton Woods conference, to replace the present bankrupt monetary system with a new one. A global debt reorganization, the establishment of fixed-parity exchange rates and a new set of trade and tariff agreements, are the absolute precondition for stability in world economic and financial relations, which are required for a return to economic growth.

It is also required that sovereign governments have exclusive responsibility for the emission of currency and the creation of credit and that, in the tradition of President Franklin D. Roosevelt’s bold anti-Depression programs, they make available cheap and long-term credit lines for large-scale investments in infrastructure, industry, and agriculture.

The outline of a new world economic system is already taking shape. Led by the initiative of the Chinese government, several countries of Asia are currently engaged in the construction of the “New Eurasian Land-Bridge.” By integrating all of the Eurasian continent economically, a similar “Land-