

Berlin Seminar: What To Do In A Financial Meltdown

Lyndon H. LaRouche, Jr. joined a panel of distinguished European economists in Berlin on Nov. 5, for an *EIR* seminar on the question, "What Can Be Done In The Face Of A Financial Meltdown?" Over 125 guests attended, representing economic, diplomatic, political, and press circles from Germany and other countries.

Our first report on the seminar appeared in our Nov. 16 issue, with the speeches from the morning panel by LaRouche, *EIR*'s Lothar Komp; Prof. Dr. Wilhelm Hankel, former board member of the German Reconstruction Bank (Kreditanstalt für Wiederaufbau); Russian economist Dr. Tatyana Koryagina; and a written message from Dr. Nino Galoni of the Italian Labor Ministry.

This week, we publish the presentations from the concluding panel, by former Dresdner Bank economist Dr. Kurt Richebächer; Schiller Institute President Helga Zepp-LaRouche; Prof. Yuri Gromyko of the Moscow Academy of Culture and Education; and French Presidential candidate for 2002 Jacques Cheminade.

In his keynote address, LaRouche underlined that the cause of the crisis today, lay in the "pathology" of the last 35 years, of relying on the mentality of accountants, or of "general public opinion and government opinion, which obviously does not function." The key to the relative success of the 1945-60 period, LaRouche said, was the Bretton Woods system, a gold-reserve-based, protectionist system, which allowed those nations that participated in it to improve their standard of living, productivity, and, generally, the perception of prosperity in the future. The switch to a floating exchange-rate system in 1971, he said, "has bankrupted the world."

LaRouche emphasized that "governments must declare the financial system *bankrupt*, and use the sovereign authority of governments, individually, and as combinations of sover-

eign entities, to reorganize the system in bankruptcy," as was done after World War II. He added a second aspect: the need to revive and protect the *sovereign nation-state*, without which no economy can function.

Dr. Kurt Richebächer

U.S. Economic Growth: Only In The Statistics

Dr. Kurt Richebächer, former Dresdner Bank General Representative and now publisher of the Richebächer Letter, addressed the afternoon session of EIR's Nov. 5 seminar. He drew on his long history in banking and economic policy-making, to ridicule the fraudulent methods introduced in recent years in the United States, to "doctor" statistics, and make a catastrophic economic picture look like a "miracle of productivity and profits." He also highlighted the change in mentality that has occurred over the last generation. In his day, people were proud to have paid off their home mortgage; but today, in America, people are proud to be able to go to the bank and get a bigger mortgage, based on inflation in real estate! When asked, during the discussion period, about the thinking of the German industrial bankers of his generation, he answered, "We saved, we invested, and we worked hard. That was the secret to the German economic miracle."