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### III. The Truth About Bretton Woods

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# Let Us Make for Ourselves an Order That Guarantees the Long-Term Survivability of Our Species

by Helga Zepp-LaRouche, President and Founder of the Schiller Institute

*We present here an edited transcript of Mrs. Zepp-LaRouche's keynote address to an all-day Spanish-language Schiller Institute videoconference, August 15, 2020, titled "Towards a World Summit of Powers in September: The LaRouche Plan for a New Economic and Security Architecture for the Planet." The video of her presentation can be viewed [here](#). Subheads and embedded links have been added.*

Let me greet you here from Germany. This event is taking place at an unprecedented moment in history. If you look at the world situation in its complexity today, I think you will agree that we are confronted with a situation beyond the comprehension of most people only a couple of months ago. We are confronted with a pandemic. This pandemic is not yet under control by any means. We have, as a consequence of that pandemic, an incredible economic collapse, some say the largest since the end of World War II. Especially in the developing countries, where 60% of all people work in the informal economy—meaning that they're living from hand-to-mouth—a lockdown immediately threatens them with starvation.

We have the danger of famine, which is becoming all the greater because of a collapse of agricul-

ture. In Africa and Asia, many countries are threatened with a locust plague, the likes of which has not been seen for several decades. In many countries people have lost trust in their governments, in their leading institutions, because in many parts of the world, the people feel that their governments don't represent their interests in the face of this crisis.

Where will the solution come from under these extraordinary circumstances? Can it come from protests, demonstrations? Obviously not. Can it come from the

existing institutions—the G7, the G20? Well, that is very unlikely. My late husband Lyndon LaRouche campaigned for many years to defeat the powers that be, which are responsible for this crisis—this is the British Empire located in the City of London and Wall Street, and naturally their collaborators around the world. In order to have a power against it, which can change the agenda and establish a new system, the four most powerful nations of the world must unite—the United States, China, Russia, and hopefully India.

Tensions between the United States and China are rising. All kinds of reasons are being given: that China supposedly wants to take over the world; that China is responsible for the Covid-19 pandemic. The reality is that China is



EIRNS/Stuart Lewis

COVID-19 testing in Leesburg, Virginia, May 21, 2020.

rising to become a leading power, if not *the* leading power in the world, while not threatening to replace the United States as a hegemon. Nevertheless, we are on the verge of a potential war between the two largest economies, the United States and China. This is why I raise the question of where the solution will come from in these circumstances. In the beginning of January of this year, I issued a call that it must be minimally the United States, Russia, and China that must overcome geopolitics and establish common rules to meet the challenges which confront all of mankind.

A few days later, independent of my call, President Putin of Russia called for a summit of the Permanent Five countries of the UN Security Council to have a discussion and work out principles for how to guarantee the long-term survival of civilization, how to give the world principles so that the dangers which we confront right now can be overcome.

One of the purposes of this conference is to bring together all the countries from Latin America and the Spanish-speaking world to play a role in that. But before I come to the point of what needs to be done to accomplish that, I want to say that what is needed is a chorus of international voices—of governments, of individuals, of institutions all working together to demand a solution to this crisis from the top. We need a complete change of system. Let me review who we are, since many people on this program as participants or viewers may not be aware of the crucial role the LaRouche organization and Lyndon LaRouche played in this fight.

**The Schiller Institute**

Given the fact that we have today the very famous date of the 15th of August, this is not only Ferragosto in Italy, but it is also the day when, 49 years ago, President Richard Nixon ended the Bretton Woods system as established in the postwar period. He decoupled the dollar from gold; he ended the system of fixed exchange rates and replaced it with floating exchange rates. Not many people, if any, other than my late hus-



*Russian President Putin has called for a five-power summit to meet mankind's challenges.*

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band Lyndon LaRouche, recognized the historical significance of that move. He had studied the systemic flaws of the Bretton Woods system as it had existed before. When Franklin D. Roosevelt died, the Bretton Woods system was not carried out as he had intended, but it was more designed by Winston Churchill and President Harry Truman, who was really a little man completely influenced by Churchill.

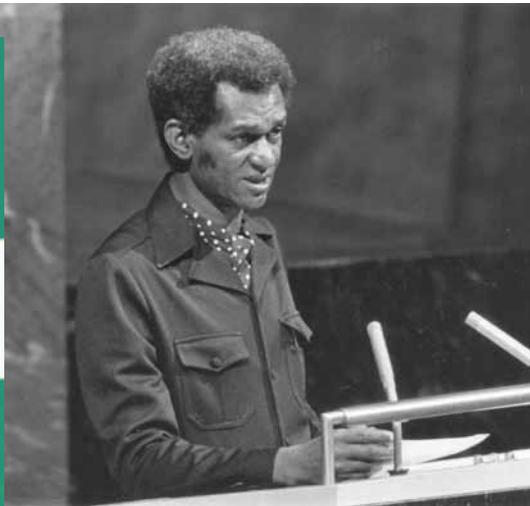
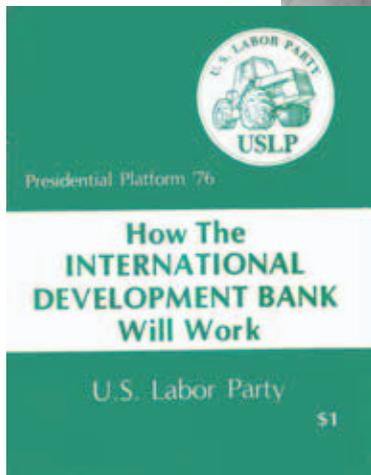
The Bretton Woods system, as implemented, left out the most important aspect, namely,



*President Richard Nixon suspends the direct convertibility of dollars into gold, thus ending the Bretton Woods system, August 15, 1971.*

that Roosevelt had intended it to be used to overcome the underdevelopment of the developing countries and increase the living standard of the entire world population, as the precondition for peace and a stable order for the postwar period. That was left out, and therefore, when Nixon made these moves, my husband immediately recognized the direction of the powers that be of the City of London, of the Wall Street financial powers. He said that if you continue on this path, that is, to implement monetarist policies, then you will have the danger of fascism, the danger of a new depression, the danger of war. Or, you will establish a completely different new, just world economic order.

Lyndon LaRouche also immediately recognized



*Fred Wills, Guyana's Minister of Foreign Affairs, presented LaRouche's International Development Bank proposal to replace the IMF to the UN General Assembly in New York City on September 8, 1976.*

that the policies being conducted by the IMF at that moment and the World Bank—the infamous conditionalities—were denying the developing countries the ability to invest in health systems, infrastructure, and education systems. So, he commissioned a Biological Holocaust Taskforce, with the task of investigating the impact of these policies of the IMF on developing countries. After having done intensive studies, he said that these policies were bringing about the danger of pandemics, because you cannot continue to lower the living standard of entire continents over a long period of time without inviting the re-emergence of old diseases and the development of new pandemics.

He immediately started to provide solutions. One of the most existential, fundamental solutions he proposed was on April 27, 1975 when, after a trip to Iraq, where he had met with many leaders of developing countries, he gave a press conference in Bonn [West Germany], proposing the formation of the International Development Bank (IDB) which was to replace the IMF. That concept would have worked, and immediately people associated with Lyndon LaRouche all over the world started to discuss that with the Non-Aligned Movement for one entire year. LaRouche's proposal would have established an international development bank to provide \$400 billion in credit every year in long-term, low-interest credit for well-defined projects of industrialization in Africa, in Latin America, in Asia.

It would have started the kind of technology transfer which, given the fact that this is now 45 years ago, if implemented would have transformed all these coun-

tries into blossoming gardens. That idea was very well-received by the countries of the Non-Aligned Movement, who basically adopted LaRouche's entire proposal in their final resolution in Colombo, Sri Lanka, in 1976. That was three-quarters of the human race saying, "We want a New World Economic Order."

At that time, the Foreign Minister of Guyana, Fred Wills, presented the IDB proposal to the UN General Assembly in New York. There was widespread support for it, and it could have been implemented. Well, it was not, because you had the biggest backlash from the City of London, from the Brit-

ish Empire—which is essentially all the central banks, investment banks, insurance companies, hedge funds, and generally the military-industrial complex associated with these financial powers. And you had the biggest destabilization against Indira Gandhi, against Mrs. [Sirimavo] Bandaranaike from Sri Lanka. Zulfikar Ali Bhutto, the Prime Minister of Pakistan, was killed. As Henry Kissinger stated, which we published at the time, through documents that are unchallenged to the present day, Kissinger said, "We will make a bloody example of Bhutto," because he challenged this present system. Also, President Gen. Juan Velasco Alvarado from Peru was destabilized.

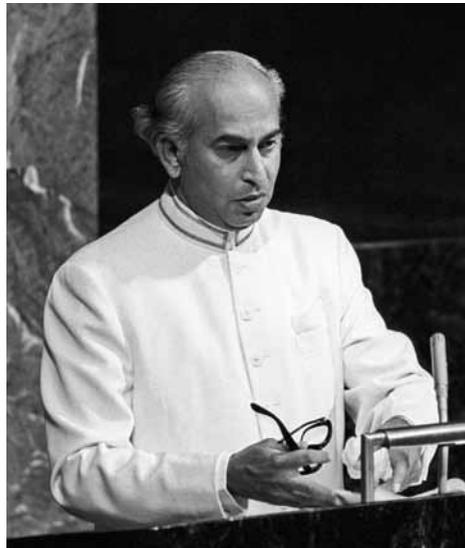
### **Comprehensive Development Plans**

But my husband and his movement continued to fight. The first comprehensive development plan for Africa, we presented in a big conference in Paris in 1976. In 1975 my husband had already proposed a development plan for Southwest Asia, called the Oasis Plan. This was the idea to develop fresh water through nuclear energy desalination of large quantities of ocean water, and otherwise deploying other modern technologies as they are used right now in Israel and some of the Gulf states.

In 1982, my husband was invited by President José López Portillo to come to the defense of Mexico when the peso was under attack; huge amounts of capital flight took place. He wrote a program for the development of the entirety of Latin America, called *Operation Juárez* which, like the Africa plan, started from the as-



UN  
Indira Gandhi, Prime Minister of India.



UN  
Zulfikar Ali Bhutto, Prime Minister of Pakistan.

veloping countries; and stop using these countries as proxy partners in wars between the superpowers.

This policy was continued with Lyn's and my proposal for what to do after the collapse of the Soviet Union, namely, to build a Eurasian Land-Bridge connecting the populations and industrial powers of Europe with those of Asia. And to use that New Silk Road to connect with all these other development projects.

### The Empire Strikes Back

These were very concrete projects. They could have been implemented by the European nations, by the United States, by the industrialized countries of Asia, such as Japan. But they decided to go in the opposite direction. Already in the beginning of the 1970s, at the same time my husband was talking about the New World Economic Order, Kissinger wrote something called NSSM-200 (National Security Study Memorandum 200), promoting the idea that any kind of development of the developing sector had to be stopped; especially in population-rich countries. They should be "encouraged" (to put it diplomatically) to reduce their

sumption that both Africa and Latin America had no infrastructure to speak of, due to the colonialist tradition. So, the first step of the industrialization of these two continents would have to be the development of large-scale infrastructure projects: ports, railways integrated with highways, production of energy, distribution of energy, communications systems—all as the precondition for the development of industry and the industrialization of agriculture.

In 1982, we also worked with Prime Minister Indira Gandhi of India, on a 40-year development plan for India, which she started to implement until she was assassinated. It was continued by her son, Rajiv Gandhi, and in a certain sense, that same idea of bringing technology transfer to the developing countries was also the core idea of the Strategic Defense Initiative, which my husband had worked on, which was adopted by the Reagan Administration. The SDI was a revolutionary concept to dissolve the military blocs of NATO and the Warsaw Pact; develop new technologies to make nuclear weapons obsolete; use the new technologies from the military area in civilian applications as a gigantic science driver and use that to increase the productivity of the world economy and then transfer that technology to the de-



EIRNS/Fernando Quijano  
*In the course of a September 1979 visit to Mexico, Lyndon LaRouche visited the Teotihuacán pyramid site. He is seen here surrounded by Mexican school children.*

populations through birth control, through limited access to raw materials, because these raw materials belonged to the United States, according to Kissinger.

At the same time, the Club of Rome launched an incredible campaign about the so-called limits to growth, based on a fraudulent computer model, where the end result was programmed first—namely that you had to stop growth and go to zero-growth in order to then say that all countries had to go for Green ideas, for zero-growth. That was really the beginning of this very negative ecology movement which now dominates much of Europe, and which is also prevalent in the Democratic Party in the United States, and among some other circles.

At the same time, the U.S. Federal Reserve, from about 1973 on, started to push the idea of a controlled disintegration of the world economy, an idea promoted by the Trilateral Commission and implemented by the Jimmy Carter administration from 1977 on. That whole thing was really an effort to bring the world back under the control of the British Empire, keep the Third World in a colonial status, and run the world increasingly under the control of the Anglo-American establishment or the Anglo-American special relationship.

That factor, of the Anglo-American control of the world, is something every patriot and every world citizen should study. There is no better way than to look at what Kissinger actually said when he, on May 10th, 1982, went to Chatham House in London and actually bragged that he *de facto* always briefed the British much better than he informed his own government. He really revealed himself as a British agent and his activity pointed to the manipulation of U.S. policy by the British ever since.

That blatant admission of Kissinger that he was *de facto* working as an agent of this Empire, caused my husband to write an absolutely profound [article](#) in 1982 called *The Toynbee Factor in British Grand Strategy*, which I advise every participant in this conference to study, because it explains a lot of what is going wrong in the world today. It describes as the “Toynbee factor”

the manipulation of the American establishment, but also of the general public. How to turn people into hedonists who follow their impulses, and how to cause an estrangement of the citizen from a rational comprehension of the major national policy issues which determine their lives and their futures.

It was that policy which was implemented after the collapse of the Soviet Union by the neo-cons in the United States—the Project for a New American Century—to try to create a unipolar world. Once the Soviet Union had disappeared, so did the need to keep up technological progress to be combative with the Soviet military.

The oligarchy went fully in the direction of deregulation of the financial system and the abolition of Glass-Steagall. And after Glass-Steagall was abandoned, China was invited to join the World Trade Organization (WTO) with the firm expectation that that would lead to China adopting the values of the Western liberal economic system of Western democracy.

And the dream or utopia of Francis Fukuyama, the American historian, about the end of history, was supposed to prevail and the whole world become submissive under the control of the system of the British Empire by just submitting to the rules of that system.

At that time also, the Green agenda was escalated, which later was announced as the great transformation of the world economy. The decarbonization, the elimination first of nuclear energy, then all fossil fuels, which has, to the present day, greatly influenced many countries. That Green policy has been adopted almost completely by the European Union.

### China Goes in the Right Direction

But there was a problem. China and many developing countries recognized that under that system, they would not have a chance. So, following the Asia crisis in 1997, but especially after the big financial crisis of 2008, China took a completely different policy direction. With Deng Xiaoping’s opening and reform policy



EIRNS/Stuart Lewis

*Henry Kissinger's idea that any kind of development of the developing sector had to be stopped, especially in population-rich countries, became official U.S. foreign policy in 1974.*



NASA

*China takes the road to development. Above, Deng Xiaoping (center foreground) and his wife Zhuo Lin are briefed by Johnson Space Center Director Christopher C. Kraft (right foreground) on February 2, 1979. At right, Xi Jinping announces his New Silk Road worldwide development initiative in 2013.*



after 1979, China had already started to go on a policy of scientific and technological progress, of innovation, to lift with that policy 850 million of its own population from poverty. That process has created an already vast and growing middle class, where the living standard has become better and better.

Then, in 2013, President Xi Jinping announced in Kazakhstan the New Silk Road. The idea was to revive the spirit of the ancient Silk Road, of connecting the Eurasian continent through the exchange of ideas, of cultures, of goods, of technologies. That policy and its associated construction projects was at first completely neglected by the mainstream media and the think-tanks of the West. But China continued to forge ahead, offering to the developing sector that model of overcoming

its own underdevelopment. China started to build six major Eurasian infrastructure corridors. And railroads and other infrastructure in Africa, in Asia, in Latin American countries. This basically would have worked, because it was not geopolitically motivated. Instead, China offered from the very beginning for this to be a win-win policy, inviting the United States and European countries and everybody else to participate in this New Silk Road conception.

This functioned to a certain extent quite well, but then from about 2018 onward, all of a sudden, all major think-tanks from the Western countries started to paint China as an authoritarian regime, and Xi Jinping as a dictator. China only wants to replace the United States as the world hegemon, it was proclaimed. This was expressed in the first statement of security doctrine of the United States in 2018. The first major such speech was given by Vice President Pence, and was followed by speeches to this effect by [FBI head] Christopher Wray, by [National Security Advisor Robert] O'Brien, by [Vice President] Mike Pence, by [Secretary of State Mike] Pompeo—who made several speeches to this effect, portraying China as the big danger.

Ever since, military tensions have escalated in the South China Sea, along the Chinese coast. This is becoming quite dangerous to world peace. It should be clear that if the two largest economies in the world start to clash, the danger is that this will get out of control and in the worst case, even lead to a nuclear war and the extinction of civilization, which many are aware of, including the Russians.

### **The Role of the Schiller Institute Today**

That is why we in the Schiller Institute have demanded that the policy be radically changed. If you look at the present combination of problems, we are in an existential crisis of civilization. Only if the major powers work together do we have any hope to solve the crisis. Even the combined industrial capacity of all countries together is not quite sufficient to solve it.

We are therefore attempting to orchestrate the situation so that every country starts to discuss this as if they are the ones who will determine the outcome of this history. In all likelihood, hopefully this P-5 summit will occur in September. It must be way ahead of the U.S. election because if you don't change the parameters before, the danger is that there will be chaos, an escalation of the pandemic, and provocations of all kinds as we have seen in many parts of the world, which may escalate.

This summit of the permanent five member countries [of the UN Security Council] must adopt a New Bretton Woods system. A new credit system which connects to what Franklin D. Roosevelt had in mind when he proposed his version of the Bretton Woods system—what Lyndon LaRouche has worked out in great detail over the decades. This New Bretton Woods system must replace the casino economy, re-implement Glass-Steagall banking separation, and establish a national bank in every country. *And then, through agreements among these national banks, establish a new credit system.*

It's not the coronavirus which has caused this pandemic. The proof of that is that China succeeded, between January and March—in two months of very rigorous methods of isolating, tracing, quarantining, social distancing, building 22 hospitals in a few weeks to treat its victims—in containing the virus, and practically bringing it under control in Hubei province. China has now restarted its economy, after having defeated the pandemic.

Just imagine if every country would have had a health system like China and was able to mobilize like China did; just imagine that if every country—Mexico, Haiti, Peru, and all the other countries—Mali—all would have had capabilities like China or like it used to be the case with the Hill-Burton standard in the United States, or as the German and French health systems were before the privatization of the health systems started, the epidemic would have been stopped! It never would have become a pandemic!

So the problem is not that China announced this too late. The fact is that China announced it sometime at the end of January, that it was a pandemic. but then most Western governments, like the German government, they waited for weeks and weeks before they got production of masks, ventilators and other equipment started. So it was not China not informing the world, it was the arrogance of the Western countries to not think that it could ever arrive in their countries, like German Health Minister Jens Spahn, who said, “Oh, this virus will never come to Germany.” What foolishness!

### **A Worldwide Modern Healthcare System**

So if every country, therefore, would start now to build, with international cooperation, modern healthcare systems, hospitals, training medical personnel, increasing the number of doctors and nurses, and med techs, not only this pandemic, but the danger of new

pandemics—which are absolutely around the corner at any moment—could be coped with, without massive loss of life.

So, if you want to make the human race safe, the building of such a world system is the first step. Of course, you cannot build hospitals and have the necessary equipment without water, without energy, without infrastructure, so the building of the new health system must become the beginning of the construction of a new world economic order, the kind of development I was talking about—that we have been fighting for, for almost 50 years. And now, because of the Belt and Road Initiative, the New Silk Road perspective, it is possible to be realized; we just have to get the United States and the European countries to stop their geopolitical opposition and join hands.

All countries will be judged by future history—if we have one—by how they reacted to this crisis, if they were able to summon the greatness to overcome their petty geopolitical concerns and join hands to work on the new world economic order. The question is: Can we create a world in which human beings can live? Some years ago, Xi Jinping was at a big party convention. He announced a plan for China, that by the year 2050, China will be a modern country, democratic, and culturally advanced, and the people of China will live happy lives, and that model should also bring happiness for all nations on this planet.

### **The Fundamental Right to Pursue Happiness**

Happiness is a fundamental human right of all human beings. It just happens to be in the Declaration of Independence, where it basically says, that the right to life, liberty and the pursuit of happiness is an inalienable right for all people. When founding the Schiller Institute 36 years ago, I looked around in all the documents, to find what would be the best charter for the Schiller Institute. I found that the Declaration of Independence was one of the best documents to express the purpose of the Schiller Institute's efforts. I changed only a few words, maybe six words, to replace “American colony” with “all countries,” and the “British Empire” to make it applicable for all countries in the world.

The idea that we have to have economic development and make sure that every single human being has the right to happiness, not in the sense of a good life, a happy moment for the hour, but meaning in the tradition of Leibniz, to be able to develop all the potential-



EIRNS/Stuart Lewis

*Helga Zepp-LaRouche selected the U.S. Declaration of Independence as the model for the Charter of the Schiller Institute. Shown are Helga and Lyndon LaRouche at the founding conference of the Schiller Institute, July 3-4, 1984.*

ties which are in each human person, to develop all creative potentials so that each human being can contribute in the best way to the development of the common good of society as a whole, and all of mankind, and in that way be in correspondence with the harmonic ordering of the universe, by increasing the level of creativity, not only of mankind, but of the laws of the universe at large.

That idea of a harmonic development of all nations, that if every single nation develops its potential, and regards it as in its self-interest to develop the potential of the other nations—that idea already exists as a concept in Nicholas of Cusa, who wrote that harmony in the world can only exist if you have the best possible development of all microcosms, as a precondition for harmony in the macrocosm. This is the idea of Franklin D. Roosevelt that all human beings must have a better living standard, be free of want, especially of material want, is the precondition for peace.

I think this is eminently possible if we were now to unite, and say—in light of the pandemic, the economic crisis, the famine, the danger of war—we have to join hands and develop: Southwest Asia, which has been destroyed by twenty years of meaningless, endless wars that have killed millions, leaving the countries destroyed; Africa, which is absolutely smashed right now by the combination of these crises; and Latin America, which is not able to cope with this crisis on its own. That it is the moral obligation of the leaders of the world to change this situation right now. We would then have the basis for a new security architecture, if

all countries were to work together on such a new world economic order. Only if you have a common economic interest, is there any hope that you can have a security architecture that will integrate every single country.

Now, the big mistake after the collapse of the Soviet Union, was that no effort was made to integrate Russia into such an international architecture. The present threat to decouple China and the countries associated with China, from the present economic system, is absolutely detrimental to world peace. That idea should be replaced by the idea that the future of humanity is in a new

system of international relationships, where the sovereignty of every country is respected, where the different social security systems are respected, and where the countries work together for the common aims of mankind, such as a crash program for the realization of fusion power, international cooperation in space, and to extend the common aims for the next hundred years.

### **A Summit to Pursue the Common Aims of Mankind**

The gravity of the crisis makes such a vision absolutely realizable. We want the five permanent powers of the UN Security Council to adopt, in principle, such an orientation. China has offered, repeatedly, as recently as a week ago, to the United States to cooperate on the fight against the pandemic; Russia has offered cooperation in the distribution of a vaccine, making sure the whole world has access to it in the quickest possible way. There are these offers. In order to realize all this, a complete break must be made from geopolitics. For a new paradigm to blossom, it needs a chorus of international voices who have to express their deep desire and need to go in this direction.

I think this is an absolute necessity, but I think it's also absolutely realizable, because we are in a world revolution. The old system is not to be saved, nor can it be saved. It all comes down to this: Can we make for ourselves an order that guarantees the long-term survivability of our species? That is what I wanted to leave with you, and where I'm asking you to cooperate.