

Russian News Agency Covers Zepp-LaRouche in Denmark

The following dispatch was issued by the Russian agency ITAR-TASS on May 1, 2009, under the headline, "German Schiller Institute President Helga Zepp-LaRouche calls for creation of a new international financial architecture," and signed by Nikolai Morozov. It has been translated by EIR, and is printed with permission.

COPENHAGEN, May 1 (ITAR-TASS)—The world economic crisis is "neither a recession nor a depression, but the collapse of an incredibly bloated speculative financial system." German Schiller Institute President Helga Zepp-LaRouche made this statement Thursday [April 30] in the Danish capital, calling for creation of a "new international financial architecture."

The current economic crisis, she said, resulted from the operation of a "casino economy," which led to unlimited globalization and predatory capitalism.

Attempts to fight the crisis by pumping liquidity into the economy, Zepp-LaRouche asserted, serve only to compound the catastrophe. Such injections "only lead to hyperinflation, like in Weimar Germany in 1923, and they help to destroy the productive capacities of society."

In her view, the results of the recent G20 summit "were an attempt to prolong the agony of the current system by a hyperinflationary policy, aimed at supporting financier interests, rather than defending the welfare of the population."

It has to be acknowledged that the previous economic model is bankrupt and that we must now "shift from monetarism to the real economy," the president of the Schiller Institute said.

For this purpose, the governments of sovereign nations should overhaul the international financial

system by putting it through organized bankruptcy, she asserted.

This means, in particular, the establishment of fixed exchange rates, the elimination of speculative financial instruments—derivatives—and the reduction, and, in some cases, write-off, of debts.

After the field has been cleared, then large state credits should be extended for the development of projects in the area of technology and infrastructure, in particular, for "the creation of a Eurasian development corridor, as the basis for reconstruction of the world economy."

Zepp-LaRouche emphasized the need to hold an international conference, which would make the decision to create a new world financial architecture. The institution of this New Bretton Woods system should be initiated by the U.S.A., Russia, China, and India, with other countries joining them later. Only these major economies are capable of posing and successfully acting on the question of a new financial order, in her view.

Helga Zepp-LaRouche is the wife of the prominent American economist and philosopher Lyndon LaRouche, who, for many years, has advocated the need to develop the real economy, rejecting the postulates of monetarist theory. "Trade and the market are tools of a health economy, but not an end in themselves," in his view.

LaRouche's principled scientific and civic stance brought the hatred of the financial oligarchy down on him. A legal case against him was fabricated in 1989, and he served several years in prison. As a result of a wave of international protests, however, the authorities were forced to release LaRouche before the end of his sentence, thereby acknowledging that he was a political prisoner.

LaRouche and his wife have visited Russia several times. Books and numerous articles by him have been translated into Russian. The American scholar highly values the works of Mendeleyev and Vernadsky, who influenced his system of philosophical views.