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# We have a golden opportunity to save civilization from a New Dark Age

*The following is Helga Zepp-LaRouche's Dec. 2 speech in Mexico, before a conference organized by the Ibero-American Solidarity Movement.*

An alternative is shaping up, such that, on the one side, there is a grave danger that civilization is plunging into a Dark Age, that if the policies of the international monetary institutions are continued, then many countries can suffer the fate of Honduras, Nicaragua, Indonesia, or most parts of Africa. So, while I'm absolutely clear on that danger, I also want to report to you that just in the last two weeks, something extraordinary has occurred: namely, that the countries of Eurasia are joining together in building the Eurasian Land-Bridge—the idea to integrate the Eurasian continent through infrastructure programs.

Now, when Jiang Zemin, the President of China, just went to Russia, he announced a new cooperation between China and Russia. The one speech I would like to bring to your attention is the one he gave in Novosibirsk, a famous science city of Russia in Siberia. This speech is one of the most outstanding speeches given by any statesman in the last years. It is a Class A speech, giving a vision for all of mankind for the next century, and this speech has been completely blacked out by all Western media. And I hope that there are some patriotic press in Mexico who will just reprint the entire speech. What Jiang Zemin says in that speech is that the scientists of Russia will cooperate with China to, once more, make science and technology the key driver of the world economy, and that China will look into the resources of its 5,000-year-old history to become the avant-garde in science and technology for the next century.

Now, what is the background of this extraordinary development? China, when it was able to break with the evil tradition of the Cultural Revolution and started the economic reforms of Deng Xiaoping about 20 years ago, could unleash—especially in the last 10 to 15 years—the most unprecedented economic transformation of any country in the world.

As a matter of fact, I was in China as a young journalist in 1971, at the height of the Cultural Revolution, and this was a country tormented by horrible ideas, by ideas of destruction, of negative ideas spread by the Gang of Four. When Deng Xiaoping replaced this period with his reforms, he started to put China back on the track of the old Confucian tradition,

and the country could maintain an annual growth rate of about 12% in the last years.

Now in 1992, China picked up on the proposal which originally was outlined by Lyndon LaRouche, which was the idea of taking the old Silk Road, which is the most southerly of the three lines . . . and the Trans-Siberian Railroad, which is the northern line, the so-called Route A, and to have these three lines connect the industrial centers of Europe with the population centers of Asia. In 1992, the line between the Port of Lianyungang and Rotterdam, which is an 11,000-kilometer-long rail line, was completed and opened for international train traffic for the first time. [See map on p. 5.]

In 1996, I was the invited speaker at a conference in which 36 countries participated in Beijing, in which the Chinese government announced that they would make the development of the Eurasian Land-Bridge the strategic goal for Chinese policy for the year 2010. I can only describe to you the tremendous optimism which was expressed by the Chinese government, by saying that the development of the Eurasian Land-Bridge would represent a new era for mankind; that no longer, would the geographical conditions of a country determine if it had economic advantages or not, but that through the idea of development corridors, one could bring economic development into the interior regions of the world.

The idea of development corridors is that you are not only building railways, highways, optical fiber cable communications lines, energy production and distribution, etc., in new arteries of infrastructure, but that you take such an artery and build, in about 100-kilometer widths, new development corridors, so that you are bringing science and technological development into the interior regions of the world.

The Chinese government stated that, since they expect that in the next 20 years, the Chinese population will grow by 200 million people, they will build 200 new cities of 1 million inhabitants each which will be built along these development corridors. This was an extremely courageous and optimistic perspective, and China indeed continued to build its part of this rail line.

## **China's response to the financial crisis**

Now, in September 1997, Mr. LaRouche had predicted that the global financial crisis would start in October '97. Again, I was in Beijing, and I presented to many of the eco-

conomic institutes and science academies this analysis of Mr. LaRouche, that the global financial system would come into its terminal meltdown phase. And I can assure you that many of the Chinese scientists and economists listened very attentively when I predicted this, and they said, “You are very courageous to put your reputation on the table in the way you are doing, but if your warnings are correct, you will have done a tremendous service to mankind by warning us.” Now, this is exactly what happened. Before Jiang Zemin visited the United States in October 1997, the big so-called Asia Crisis started to erupt, with a 10% Wall Street collapse, then the crisis unfolded through October, November, December, January.

Can you imagine? The Chinese government under these circumstances reacted completely differently than any other government in the world. Imagine that the Chinese leaders, the ministers, the Prime Minister, the President, were not too proud to use the weekend to take economic studies, to study more deeply the causes of this crisis. I do not know of any other government which would admit that they do not know enough about the economy and indeed study the reasons for the present crisis. Now, they took a whole bunch of measures to protect their population against the consequences of the fact that, because of the collapse of the Southeast Asian countries, they were losing tremendous export earnings from the collapse of the consumer exports to these countries. They started to redirect their investments into the inner regions of China, which, as you know, are much less developed than the coastal and the southern parts of China. But at the same time, they started to resist the pressures of the IMF, the WTO, and other supranational institutions, by refusing to devalue their currency, the renminbi. The Chinese government put more emphasis on national banking. They started to generate credit for productive investment for domestic purposes. Most recently, they have banned and outlawed all speculation, because Li Peng said that the Chinese economy is not suited for speculation. When one of the international investment houses, GITIC, went bankrupt, the Chinese government refused to bail it out.

In August, the Chinese government declared that from now on, they would regard matters of economics as national security matters, because the very existence and sovereignty of the country would be at stake.

### **The case of Russia**

And then, there was another extremely important feature in the way China is thinking about the world. They looked at the collapse of the Soviet Union, and then what happened to Russia in the period afterward, and they came to the conclusion that China will absolutely not allow what happened to the Soviets, and to Russia afterward. Because, after the Soviet Union collapsed in 1991, they followed the IMF reform package to the letter. And what was the result? Russia today has only 30% of the entire industrial potential it had when the

Soviet Union collapsed in 1991. The demographic curve of Russia is collapsing by 1 million people per year. Can you imagine that the Russian people are shrinking by 1 million because the death rate is going up and the birth rate is going down? This complete failure of the IMF policies became obvious on Aug. 17, when Prime Minister Kiriyenko announced the de facto state bankruptcy of Russia, by declaring a moratorium on the foreign debt of Russia, and the refusal of the government to continue to honor the so-called GKO's. And at that point it became apparent that about \$100-200 billion of the derivatives contracts the Russian banks were involved in with Western banks, were hanging in the air—and they're still hanging in the air.

Now, the newest report of the Bank of International Settlements—this is the Swiss-based central bank of central bankers—announced just in the recently published report that in August, because of the Russia bankruptcy, the international financial system was on the verge of a complete meltdown of the entire system. Under these extremely dramatic circumstances, the Primakov government came in in September, and what were they confronting? They were confronting an absolutely dramatic situation. Russia in the hands of the mafia, working together with the international speculators. The country in absolute poverty, faced with a starvation winter. People having no food, no heat—especially in the Far North, the Arctic part of the country, where people have neither food nor energy for the coming winter.

So, the Primakov government, which happens to have a whole number of people who respect the theories of Mr. LaRouche very deeply—. As a matter of fact, in 1994, the first trip after my husband came out of jail, after having been the political prisoner of the Bush administration, we went to Moscow and he represented to the Russians the need to have an alliance between China, Russia, and the United States, to reform the world economic system according to the tradition of Franklin D. Roosevelt. And many of the people who listened to Mr. LaRouche then, and participated in other such seminars in 1995, and in 1996, when Marivilia Carrasco [president of the Schiller Institute in Mexico] was an honored speaker at a seminar of some of the most important Russian economists, these people followed the writings of Mr. LaRouche in great detail. They are now undertaking a program of capital exchange controls, of trying to pay wages, because as a result of the collapse of the Russian economy, the few firms which still exist refuse to pay taxes, so the government has no more money. They could not pay wages to the Army, to the police—and when the government has no more money, it becomes irrelevant, and then you are faced with conditions of ungovernability.

So, the Primakov government was faced with an extremely difficult situation, but step-by-step they took firm measures, and started to rebuild the institutions. And they promised that there would be food and that wages would be paid.

Now, under these extremely dramatic conditions, I happened to be at another conference in China, discussing the need to extend the Eurasian Land-Bridge as a counteroffensive against the ongoing financial collapse. And this conference took place in four Chinese cities, and had a tremendous impact on discussions between the Chinese and Russian participants.

At the end of November, Jiang Zemin went to Moscow, and he agreed with Primakov that, from now on, China and Russia would enter a new strategic alliance, in which the focus would be, among other things, the Eurasian Land-Bridge, the collaboration in science and technology in agricultural development, and many other projects. They explicitly stated that this alliance is not directed against any other country. Then, Jiang Zemin went on to Japan, and in a very revolutionary first development, Japan agreed that they would participate in the 11,000-kilometer-long rail line from the Port of Lianyungang to Rotterdam, and also in the corridors linking the Eurasian continent.

In the meantime, there was a very important seminar between India and Russia, in New Delhi, at which the Russian speakers addressed the fact that for 2,000 years, there were no wars and no hostilities between Russia and India, and that only in the last 50 years, in the aftermath of the influence of colonialism, did it come to war between India and China. Primakov will go there this week, and include India in this new alliance. At the same time, the Central Asian republics got totally excited, and the new dynamic of the Eurasian Land-Bridge is inspiring them. There just took place a meeting of the CIS, which is the organization of states of the former Soviet Union, and they also agreed to much closer cooperation in this spirit.

Now, it is very interesting that the international media have not reported one word about all these historical developments, except that the *Financial Times*, the *Wall Street Journal*, and the *Washington Post*, in the past few days, had hysterical articles claiming that this new alliance would be directed against the United States, when the absolute opposite is true. China wants to have a strategic partnership with the United States, and President Clinton wants to have a good relationship with China, because he knows perfectly well that this will determine how the next century will look. But it is the old geopolitical freakout, realizing that parts of the world are not going to go along with their self-destruction. That there is a new powerful alliance of countries emerging, which represents the majority of the world, because between India, China, Russia, Southeast Asia, and Central Asia, you have easily 3 billion of the world population united.

### **The next phase of collapse**

Now, this is one dynamic, but in the coming weeks you will experience the next phase of the collapse of the world financial system. And as I said, this will be without precedent in any known part of history. If the present governments of

the G-7 and other governments continue with their present neo-liberal policy, this threatens to throw the world into a New Dark Age.

The most explosive situation in Asia is obviously Japan. Japan, which has not yet acknowledged the fact that it is sitting on \$2 trillion worth of bad debt, can do the most damage to the world financial system as a whole. Indonesia is already disintegrating as a result of the policies of the IMF. But the worst countries affected will be Western Europe, the United States, Australia, New Zealand, and Canada, and the only likely part of the world which right now has the chance to survive the coming storm, is China and the group of countries I just described to you. The reason for this is that only those governments which are willing to implement the kinds of protectionist measures like China and Russia and Malaysia have started, will have the chance to survive.

If you look at the situation in Western Europe at this point, unfortunately and despite the fact that I am a German patriot, I have to say that Western European countries have been unable to elect governments which are competent to deal with the economic crisis. The G-7 nations, and all their leading institutions, are unfortunately presently at their lowest intellectual level in history. They have never been on such an abysmal level in the entire history of their existence. The problem is that the governments of the West have gone clinically insane in the last 30 years, and they are keeping to the illusion that the financial system will go on forever.

Just on Nov. 9, the G-10 central bankers announced that the whole world crisis is over and that we will go back to normal conditions.

This wishful thinking is already out the window, as you saw by the stock market collapse at the beginning of this week. But we are not only looking at that, but also at the real depression starting to hit the so-called industrialized countries. The decline of U.S. exports is threatening a very deep recession in that country. We are looking at the complete failure of the IMF bailout remedies for Asia and for other so-called emerging markets. The \$42 billion Brazilian package which was implemented on the 13th of November, means that the largest economy of Latin America will go into a deep depression.

But if you look at the Japanese banking system, it is the Achilles' heel of the international financial system. Despite a \$500 billion rescue plan which was again announced on Nov. 16, only a few Japanese banks have drawn from this fund, for fear they will be branded insolvent. So, it's only a rescue on paper. The plan is highly inflationary and practically irrelevant. It sets against the scale of non-performing debt, which is four times as big—namely \$2 trillion. By March of next year, the Japanese government will implement capital adequacy rules, which means that most of their outstanding loans, totalling \$200 billion, will be called in, and this will lead to a huge credit contraction of the world's largest lender, Japan. This will mean another devastating new downward spiral of the Asian economies.

You have a global collapse in steel production, which is still one of the best indicators of the overall productivity of the world economy. You have a collapse of the oil price, which naturally hits your country in a devastating way, and you can forget about budgets if the oil price continues to collapse.

The most dangerous element, however, remains the huge derivatives bubble. Derivatives, which are nothing but huge side bets on contracts between parties and counterparties, are the hard core of the casino economy. This is the \$3 trillion of money which is floating around the world on a daily basis, without the control of any government or any central bank. There are about \$140-150 trillion in outstanding derivatives contracts existing today, which is several times the GDP of the entire world economy.

Now, what that means is that the world economy is thoroughly bankrupt. If you have a collapse of exports and imports of 20-30%, which we have right now, compared to last year, and a downturn in physical production worldwide, then you are entering a depression.

The G-7 plan, which contains no other remedy than to pump liquidity, will mean that, if they keep doing this, the world will very quickly see a Weimar-style inflation. And, you remember what happened in Germany in 1922-23. when the Reichsbank started to just print money to fulfill the Versailles dictate on the payment of debt. One pound of butter cost 5 marks one day, 100 marks the next day, a million marks a couple of months later. Finally, a billion. And in the end, people just wrote numbers on a white piece of paper, because money didn't mean anything anymore, and then the whole system came to a screeching halt.

Right now, there is hysteria among central bankers in Europe and the United States. The merger mania, the idea that you could somehow merge Deutsche Bank and Bankers Trust, Exxon and Mobil, etc., the truth behind that, is that Bankers Trust was completely bankrupt, and Deutsche Bank agreed to bail out the eighth-largest bank of the United States, because they feared that any large bankruptcy would lead to a chain-reaction collapse of the whole system.

Right now, they have an agreement between the Bundesbank and the Federal Reserve, to help each other. But it's like two stumbling giants leaning against each other, to prevent each other from falling down.

We are in an extremely hot situation, and the euro may explode before it even comes into being. Or, if it comes into being, one has to fear that the speculators, who know how weak the euro is, will launch a massive attack against the euro after the beginning of the year.

## The history of globalism

That is the situation. If we look at how the world came to this point of insanity; how was it possible that the world has reached this level of crisis? And I have to take you back a little bit into the history of globalism, of the attack against the

nation-state, of how it came to the kinds of neo-liberal reforms trying to impose a new dictatorship on the world, called "globalism," called free market economy.

We have to go back to the end of the Second World War, when a group of people around the evil Bertrand Russell in Great Britain, designed a nuclear weapons policy, with the aim described in the *Bulletin of the Atomic Scientists* in December of 1946, where Russell admitted that he was promoting the development and use of nuclear weapons, to develop a form of warfare which would be so horrible, that it would force governments and nations to give up the sovereignty of the nation-state, and to accept world government.

In 1946, Russell spoke in favor of a nuclear attack on the Soviet Union, to force them to accept world government. . . .

[There was no reason to drop the atomic bomb on Japan, which had already been] defeated. There was no reason to do this, because the Japanese Emperor had already agreed to negotiate the terms of surrender of Japan. But unfortunately, Franklin D. Roosevelt had died, and Churchill was able to get Truman to do exactly that. And if people want to have an international court, Truman retrospectively should be put in front of it, because these bombings were a crime against humanity.

The purpose was exactly what Russell had written in 1946: to use a terrible weapon, to then force the world into submission. In 1955, there was a conference in London of the World Parliamentarians for World Government, to which Khrushchov sent four representatives who spoke on his behalf, and who embraced the idea of world government.

In 1962, after the Cuban missile crisis, some of the evil forces in America, under the leadership of John J. McCloy, and on the Russian side Khrushchov, and Russell, orchestrated a new policy, which has dominated the world ever since. It was the idea of arms control, of crisis management, of world government through this process of disarmament.

Then, they decided to oust the national representatives of nation-states, like de Gaulle, Adenauer, Erhard. And then, when the Brandt government came in in Germany, they started to destroy Germany from within. There was a change worldwide, with the idea of using the idea of world government through nuclear terror, to force countries to give up science and technology, because the idea was that the great war would not be possible, because nuclear weapons would be so horrible that nobody would use them.

I only want to remind you, that in 1982, when Mr. LaRouche designed the policy of the Strategic Defense Initiative, which was implemented by President Reagan in March 1983, this was an effort to abandon the system in which nuclear weapons would be the ultimate terror in warfare, and to free the world from the grip of world government. And we nearly succeeded in doing that, because if the Soviet government had accepted this proposal, indeed, a new kind of world order could have been implemented.

Under this change in global policy, where globalism all

of a sudden was accepted, the international oligarchy decided to introduce a couple of paradigm changes which are responsible for the present crisis.

The most dangerous aspect was to undermine the educational system of the OECD countries, to eliminate Classical humanist education, and, as a consequence, the minds and morale of the people and pupils were destroyed.

Then came the Frankfurt School, the evil policies of Heidegger, Hannah Arendt, Theodor Adorno, Max Horkheimer. And they undermined the university faculties, by attacking reason, by saying that reason is fascism, that the idea that there is a knowable truth, represents authoritarianism.

Then they introduced the sex-drug-rock counterculture,

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*We have to finally do what is in the self-evident self-interest of the Ibero-American continent: to develop the kinds of economic infrastructure which would make it possible for Ibero-America to become a blooming continent in the next century.*

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with sexual perversions that have escalated ever since, and the drug culture, which has permeated throughout the world, and is destroying the minds of millions of especially young people.

This cultural change has destroyed countries from within. So, we are not only looking at an economic crisis today. What we are seeing on a world scale, is not just a repetition of the 1929-31 cyclical economic crisis. But we are looking at something much more fundamental.

We have the inability of the world today, to feed and clothe its own population. . . .

### **A 30-year decline**

[When Nixon took the dollar off the gold reserve standard on Aug. 15, 1971, the Bretton Woods monetary system of fixed exchange rates] was destroyed, and the floating exchange rate was introduced. This floating exchange rate not only created the Eurodollar bubble, the ability of private bankers to create money without the control of governments, in offshore banks in the Cayman Islands and similar places, but the floating exchange rate system, in which currency values fluctuate in the short term, also made long-term investment in production and trade impossible.

That was the beginning of the death of the so-called developing sector. They could no longer afford loans, because as the rate fluctuated, the country started to accumulate debt, not because they got a lot of money — for example, if you look at

the debt of Latin America, it has multiplied through these currency fluctuations and accumulated debt which has already been paid many, many times. Entire continents have been thrown into misery: for example, southern Africa. There was at the same time, a deemphasis on science and technology, and the previous science-driver role of the military was destroyed. There was less replacement of infrastructure, there was no repair of power systems; it was a form of primitive accumulation against the existing industrial potential.

In the United States, the number of jobs people had to have to maintain their own income became larger. People today have to have two to three jobs to have the income to live. They cut down health care. In the United States, the health management organizations (HMOs) are actually killing people. In Germany, the world-famous rehabilitation system — the best health care system in the world — is being destroyed right now. Physicians are being driven out of practice, and the result is genocide.

So, step-by-step, they made one wrong decision after the other. In 1974, they put the world through a contraction, through the oil price hoax. This was no oil crisis, it was a manipulation of the oil price, because there was plenty of oil sitting in tankers in Rotterdam and elsewhere. But this started to strangle the developing countries. In 1975, the IMF began to tighten its harsh conditionalities, by forcing Third World countries like Mexico and others to devalue their currency, so that they would have to export cheaply and import expensively. In 1976, the Council of Foreign Relations produced a number of books, on the theme of “the controlled disintegration of the world economy,” in which this new doctrine was spelled out: namely, that they would never allow another Japan in the Southern Hemisphere. They would never allow that so-called mercantilist policies of core industry, would emerge in the so-called Third World.

Then, in 1979, the next blow occurred through the high-interest-rate policies of Paul Volcker. The disintegration continued in 1982, when you’ll remember there was a gigantic capital flight out of Mexico, and it was the courageous López Portillo who tried to protect you against the international speculators, by implementing some of the ideas which Mr. LaRouche had suggested, in the form of the integration of the Latin American continent.

The 1980s went downhill. Reaganomics meant a further collapse of real production. Capitalism was combined with junk bonds and hostile takeovers of bankrupt firms. All of this was unloaded in the first crash of ’87. Then, in ’89, when there would have been the great chance to put the East-West relationship for the first time in this century on a new basis, and Mr. LaRouche proposed an early form of the Eurasian Land-Bridge called the Productive Triangle—a kind of a Marshall Plan for the development of Eastern Europe — Bush, Thatcher, and Mitterrand forced Germany to capitulate to their blackmail, by linking the unification of Germany to Germany giving up the strong D-mark and submitting itself to

the euro, to the Maastricht Treaty, and thereby capitulating to a world order which is directly responsible for the present world crisis.

In June of 1994, Mr. LaRouche put out his famous Ninth Forecast, in which he said that the bubble economy had reached a point where a collapse of the financial system was inevitable, and that it was just a question of time as to when there would be a negative chain-reaction collapse.

In 1994, when he went to Moscow, he presented this analysis, and by 1995, all the Western governments, the United States and even Chirac of France, knew that that was the condition of the world financial system, because even Chirac—who is not exactly a steady person in his views—talked about “financial AIDS,” meaning the speculative bubble of the world financial system.

President Clinton at that time wanted to reform the international monetary system, but especially Great Britain and Germany at that time completely opposed that idea. What the G-7 decided instead was to pump liquidity, to print money to try to keep saving the rotten banks.

Then, in February 1997, the international speculators who had gained and filled their pockets from the system, realized that this system was coming to an end, and they decided, like vultures eating corpses, to launch a speculative attack against the currencies and stock markets of Southeast Asia, which resulted in the collapse of the currencies of countries like Indonesia by 80% in half a year.

Now, do the industry, the agriculture, and the people of Indonesia, do they lose their value by 80% in half a year? Obviously not! But in this present system, this country is being destroyed just by a few criminals who are filling their pockets.

Then in the summer of 1997, Mr. LaRouche predicted that the final meltdown crisis would occur at the end of '97, and this is exactly what we are seeing right now unfolding.

## **The legacy of the nation-state**

What is the nature of the conflict, which is now coming to an historical decision? Up to the 15th century, all forms of government were based on imperial law, that government up to that point was just a clique of kings, of emperors, of princes, of dukes, who would impose imperial law. It was all in the form of empires: the Babylonian Empire, the Roman Empire, the Byzantine Empire—all these had a conception of law that the ruling oligarchy could impose their will over a people consciously kept backward, people who would be 95% illiterate, who would, over generations and generations, do the same thing. The children would do what the parents did, what the grandparents did; they would not participate in culture, they would not participate in the government.

So, Christianity had already established the idea that every man is in the image of God, and therefore has inalienable rights, but that idea was not politically realized. Only when the concept of the nation-state emerged in the 15th century,

through the combined development of the Council of Florence, which was the high point of the Golden Renaissance of Italy, and the coincidence of the first practical nation-state under Louis XI in France, under whose rule the living standard of the population doubled within 20 years, a new idea of the state emerged.

It was the idea that the nation-state, unlike the imperial oligarchical system, is responsible for the common good of the people, and that the state must sponsor universal education, because only if people are educated, only if their minds are developed, do they have a human, dignified life. It was the first time that the idea emerged that the government must foster science and technology, because science and technology are the preconditions for improving the living standard of the population, that the state must respond to the natural rights of the individual, and of all members of society and their posterity.

These ideas went through refinement. The first step was the Golden Renaissance. The next significant development was the ideas of Leibniz, when he attacked the evils of the British Enlightenment in the form of Locke, and the new idea which treated man as a property of the oligarchs, the British Enlightenment representing the worst form of liberalism.

Now, the Leibnizian conception of man, that man is capable of creative reason, that man is infinitely self-perfectible, found its first political realization, in the U.S. Declaration of Independence. The Preamble and the Declaration of Inalienable Rights, are the two documents which became the reference point for government under law and the idea of national economy ever since.

The idea of national economy, where the state defines the conditions, so that the well-being of the people is protected, the state, which must take the framework such as infrastructure, health, education, and other forms in the general interest, which will never be taken care of by the private entrepreneur.

These are the issues underscored today by the role of China, Russia, and the group of nations collaborating with them, in an effort to lift humanity out of its present misery. This is the same issue which was the struggle of Mexican patriots and patriots in Latin America in the last 200 years.

There is right now an attempt by the international oligarchy to destroy the nation-state for good. This is, among other things, reflected in the decision of the British House of Lords ruling to extradite Pinochet. I'm not defending Pinochet—and one should not forget that it was Henry Kissinger who helped to overthrow Allende and to put Pinochet into power—but what this decision of the House of Lords represents is that they want to break the law of sovereignty. Blair and, unfortunately, the German government are also involved in this right now.

## **Globalization is not invincible**

What we are seeing right now, and this is a life-and-death battle for the existence of mankind, is a fight between the

sovereign nation-state versus globalism in its new form. These globalists do not want anything different than to implement a neo-feudalist order in which the mass of the population would again be thrown back into the pit of poverty, ignorance, and misery.

Globalism, free-market economy, and privatization — the sacred cows of the financial oligarchy — are already becoming bad words in China and in Russia. If you were to go to Russia today and advocate a free-market economy and liberalism, you would have a good chance of being thrown into the street or hung from a tree, because people have had enough of this in the last eight years.

Fortunately, President Clinton is not unaware of these questions. Not only does he want a good relationship with China, but there is presently a review of Russia policy by the Clinton administration. And, very importantly, on Sept. 14, President Clinton made a very important speech before the Council of Foreign Relations; and, while that may not have been the best place to make that speech, given the fact that that represents the Anglophile bastion of the United States, he nevertheless said that a new financial system is necessary, as well as a new Bretton Woods replacing the old bankrupt system.

In the last two weeks, he has made many speeches in which he called for sweeping radical reform of the financial system. Now, this is why the Schiller Institute is engaged right now in an international campaign to demand that President Clinton make Mr. LaRouche his economic adviser. Only if this occurs in the short term, do I think that there is hope that the world can go through an orderly kind of reorganization, because what are the measures which need to be taken in the short term?

We want President Clinton to convene an emergency summit where he invites Jiang Zemin, Primakov, Prime Minister Vajpayee, President Zedillo, and many other leaders of the world, and declares that the old system is bankrupt, and declares a new system to come into being.

Remember, world monetary systems are not a God-given, eternal thing, but governments make them. Governments can change them. When you see that a system is not functioning, governments have the right and the duty to protect their people. They do not have the right and the duty to protect the banks!

So, what needs to be done is that \$150 trillion of the derivatives bubble just has to be written off. They have to be taken off the books, because if you keep pushing this casino economy on and on, the world economy will collapse and people will die and suffer.

We also need a debt moratorium on almost all categories of debt. No country in the world can presently pay its back debt. Germany cannot pay its debt. As a German citizen, I am paying every fourth tax mark not for debt, but for interest on that debt. The state on the national level, on the state level, on the communal level, they are bankrupt. They can no longer

do the things they have to do. The United States, the largest debtor in the world, cannot pay its debt, let alone the developing countries.

We need to do exactly what Pope John Paul II is demanding for the Jubilee for the Year 2000, that the debt of the world must be written off, because it is immoral. Most of these debts should not exist.

We need capital and exchange controls, because we must stop speculation. Speculation has no place in the world economy. We must have a fixed parity system, so that there is stability, so that long-term investment in infrastructure, in industry, in agriculture, is possible once again and so that we can do the kind of economic reconstruction which is necessary.

We need to have a system of national banks, where each country has the sovereign right to issue credits which are linked to direct projects of development, of infrastructure, of scientific and technological investments to increase the productivity of the labor force.

A country like Mexico, which has 50% unemployment, whose youth, under present conditions, have no hope, if you look at the so-called unofficial economy, it breaks my heart to see that young people who should have productive jobs, who should be engaged in studies, who should develop their minds, they're doing all kinds of ridiculous clowning on the street corner, cleaning the windows of the cars, just to get a few pesos. This must change, and we must have a program of investments so that we can reverse this.

The program of the Eurasian Land-Bridge is not only the idea of linking the Eurasian land mass, but it is the idea of expanding it to a global reconstruction program: Go through the Bering Straits to all of the Americas — Central America, South America. Colonialism left the Ibero-American continent with no infrastructure. If you are trying to travel from Peru to Brazil, you cannot use a railway, because it does not exist. If you are trying to travel from Venezuela to Chile, you cannot use a railway, because it does not exist.

We have to finally do what is in the self-evident self-interest of the Ibero-American continent: to develop the kinds of economic infrastructure which would make it possible for Ibero-America to become a blooming continent in the next century.

We must connect the same Eurasian Land-Bridge to Africa, because Africa right now — under conditions of the IMF, the World Bank, and the collapsing system — is a dying continent. There is no reason in the world why we cannot expand the Eurasian Land-Bridge through the Middle East and the Strait of Gibraltar to open up Africa, which has tremendous wealth. It could be a blooming continent. In one generation, Africa could become a modern continent.

We must connect this perspective of a global reconstruction with the idea of a cultural renaissance. That means that the paradigm shift of the past 30 years must go. Everything people now regard as sacred cows — globalization, free-mar-

ket economy, neoliberalism, post-industrial society, sex-rock-drug counterculture—must go out the window, and we must reestablish the idea that science and technology are positive, that we need them; that industry is positive, that we need it; that speculation is negative, that it should be banned and outlawed.

### Create a new renaissance

But, most importantly, we need to go to a Classical cultural renaissance, which means the kind of Classical culture which we so beautifully saw at the beginning of this event.

If you expose every child to the ability to learn *bel canto* singing, to learn polyphonic music, to learn an instrument, you have saved this child, because you have nourished his mind. Children who have this kind of education in music, but who are learning in the tradition of Wilhelm von Humboldt, the universal history of mankind, who, because they know what generations of people before them contributed to our present body of knowledge, these children would grow up into adults willing to take responsibility for future generations, because only then do they appreciate their role in universal history.

Only children who are steeped in the beauty of the Classical language of Spanish literature, or whatever literature of their nation-state, who know the poems, who know the great dramas, who know the great epics, can learn to think in metaphor. Their creative faculty [can be developed in this way]. . . .

And the idea that people accept oligarchism, will be regarded as a children's disease of mankind, which we will overcome once every child is educated. We will look back at oligarchism like measles, against which we have found a medicine, so that you will never have measles again.

That means that, as López Portillo yesterday said so beautifully, Mexico must go back to the values of the Mexican Revolution, because in each country, we must go back to the best traditions of our own culture.

We must go back, in Western Europe and in the Western Hemisphere, to the best traditions of Platonic Christianity, the image of man, that each human being is created in the image of God, and that it is that most noble ability of God the Creator which gives us the ability to have a creative mind, to again and again come up with creative hypotheses about the physical universe, and that something which we can think in the realm of ideas, in the spiritual realm, is then a scientific discovery which leads to technological progress, which then has an effect on the physical universe.

That idea itself is a beautiful thing, because it means that there is a lawfulness between the macrocosm, the physical universe, and the microcosm, the creative human mind, which means that the laws which govern the universe at large, the laws of physics, of natural science, are identical with the laws of creative mentation. And that is the reason why Leibniz was correct when he said that the world has been made as "the best of all possible worlds."

If you look at these ideas, which come out of Western Christianity, which represent the best of Western culture, you find exactly the same idea in the great Confucian tradition of China, in the tradition of neo-Confucianism, of Mencius, of Chu Hsi. Because Confucius, while he did not have a religious [system] as such, nevertheless did have the idea that there is natural law, that there is a law of the heavens, that governments must have the mandate of heaven in order to do the common good, that the individual is indefinitely capable of self-perfection, and that man has to develop his mind throughout his whole life, which Confucius called "the great learning."

We will only come out of this existential crisis of mankind, if we go back to the best traditions of all of universal history, and if we share that which is universal in each culture, and that we respect each other in this way. If we do this, I think we can overcome this present danger. I think that man has been created by God in such a way, that when he is confronted with an existential crisis, that some other quality is called forth in him, and that the good in man is greater than evil.

Therefore, I believe that if we fight, and if we put our efforts together across nations, and across borders, for this noble goal, that not only can we have a just new world economic order in the very near future, but also a new golden age of mankind in the next century.

Thank you.

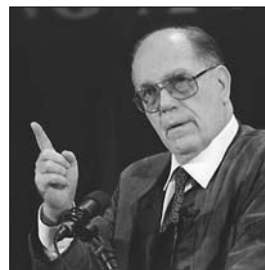
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