

unification of mysticism with criminality was also abetted by the fact that, in the second half of the 20th Century, transnational crime adopted the “organizational weapons” of secret societies: totally conspiratorial practices, a network form of organization, the unassailable authority of the leader, and the infiltration of operatives into the political, management, and information and propaganda elites, for the purpose of expanding economic and political influence, providing security, and so forth. As is done by secret societies, techniques such as blackmail, terror, and the manipulation of people through ideas, concepts, and religious inclinations, and so on and so forth, began to be applied widely. The secret societies, in turn, were “enriched” by the mafia’s experience in creating their own regular armed forces. It presents no great difficulty for the “general staff” of this new monster to “hide” its secret army. There may be armed units of militants inside the “legal institutions,” seemingly of independent origin, or even sub-units disguised as anti-terror units within the national agencies of various countries in the world, and much more.

Thus, after the terrorist acts in the United States, the world today has encountered a more complex phenomenon than what religious extremism and fanaticism represent. More dangerous for mankind are these elements of cold calculation, cynicism, and cruelty, which are characteristic of highly educated individuals, who consider themselves the representatives of a super-race. Enamored of planning and organizing everything, and looking far ahead, they suppose, like demi-urges, that their salvation lies in doing evil.

Overcoming The World Depression

Here is our forecast. The neo-Malthusian center will fan tensions, without any interruption. Evaluating the events of September when the trail was fresh, we expressed on the pages of the Russian press, the idea that there would necessarily have to be a second, significant blow against the U.S.A. In a sense, this would be a kick in the back of the already-collapsing American economy. Fanning the public’s fears would paralyze the consumer market, once and for all, creating a second wave of crisis in the realm of finance and foreign trade, with the impulses of fear and uncertainty going off in various directions. Now, we have the news that there have been incidents of biological attack. “White powder” as a carrier of infection, is being discovered in countries on various continents (and the reports on these incidents are probably deliberately played up by the mass media). It has been said publicly, that there is a danger of biological weapons being used against 20 Russian cities. And, of course, a crack in the entire world geopolitical situation is to be expected from the “anti-terrorist” actions of U.S. and British armed forces in Afghanistan. Military victory is impossible, if the enemy has not been rigorously identified.

It is very important for the world public to understand at this time, that the crisis attacks on national economies must be countered, using whatever forces are available. Only an

economic recovery can enable each country to make its contribution to preventing a Third World War, to the brink of which the organizers of the terrorist acts have brought the world.

In our view, an extremely important role in overcoming the world depression today belongs to two countries. They are Russia and China. Russia is a very important element, because of its boundless domestic market. China is, because it is a power that has maintained a superior ability to absorb foreign investment, and has achieved uninterrupted economic growth. Forming a “bridge” of world economic stability, Russia and China present a unique opportunity for Europe and the countries of the Asia-Pacific region to rise above the “American syndrome” of a crash.

For Russia itself, economic growth is completely within reach. But to achieve it, requires a fundamental correction in our economic policy, with an emphasis on the development of the real sector of the economy, an orientation toward strategic investment in specific manufactures, and a shift to sweeping de-dollarization of the Russian economy and strengthening of the international position of the ruble.

Dr. Nino Galloni

Link The Value Of Production To Money

Dr. Galloni is General Director of the Italian Labor Ministry and President of the Technical Committee of the Fund for Special Unemployment Compensation (Cassa Integrazione Guadagni Straordinaria), in Rome. The following greeting was conveyed to the EIR seminar in Berlin, on Nov. 5. A subhead has been added.

The recent, dramatic events of Sept. 11 in the United States, the Middle East conflict, and the war in Afghanistan, have been added to an international financial and economic situation which was already critical.

The elimination of most productive activity (especially in the manufacturing sector, in infrastructure and social services) because of the growing importance of financial speculation, places the world in front of a dilemma: to support the North American financial-political model, based on a currency, the dollar, which no longer has a realistic connection to the productive economy; or, to return to a more financially prudent model, which establishes a link between the value of production and that of money.

Prior to the political crisis initiated by the events of Sept. 11, the European Union (EU) had taken timid steps toward

proposing to the world a model that was different from the dollar model. However, even this hypothesis—now, perhaps, faded, or at least, certainly, “suspended”—would not have been adequate for the required change, because of its obvious ambiguities in relation to the dollar.

A ‘Gold-Exchange’ Alternative

The alternative hypothesis, today only theoretical, may involve decoupling the euro from the dollar and linking it to gold (a return to the “gold-exchange standard,” because the “gold standard” would require the agreement of all the currencies). But such a hypothesis, in order to be taken into consideration seriously, would require at least two supporting conditions: 1) the extension of the “gold-euro” arrangement to the gold-ruble arrangement, in such a way, it should be understood, that a single currency, and a single monetary zone, is formed; 2) bringing “Euro-Russia” closer to most of the countries of North Africa and the Middle East. Only if these conditions are met, will the alternative to the dollar be sufficiently strong and credible.

Even the proposals for resolutions, in this regard, presented recently at the European Parliament, though confined to a completely acceptable logic, do not clarify whether a new international financial regime should move to orient the EU to expand the area of its own currency, in order to make the

proposed change more efficient and practical.

However, it should be remembered that any association of gold to currency, though presenting obvious advantages regarding financial equilibrium and certainty, generates limitations with regard to development, and may present a thrust toward increasing interest rates. (In fact, the rapidity of currency circulation does not depend on the value of production, but on the complex of monetary movements determined through the cycle of the product, from the purchase of raw materials to the final sale to the consumer.) For this reason, the relationship—relatively unbalanced—between the monetary base and endogenous money, which determines the cost of credit, is delicate.

Furthermore, if the “gold-exchange standard” were to be introduced, it would be necessary to monitor the possibility of an invasion of bad money, that is, the dollar, while good money would be hoarded (given also its function as a partial reserve, related to the system).

In any case, however, the economic-financial situation, which was close to collapse before Sept. 11, suggests the introduction of partial measures, or of more radical alternatives—like the return of the “gold-exchange standard” with the conditions mentioned earlier—in order to compensate for a situation which risks compromising the perspectives of balanced, peaceful development of productive activities.

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