

Realizing LaRouche's Idea of Economy

Dr. Kwiczak is an economist from Poland. He made this presentation, "The Role of a State in Reconstructing a Collapsing Economy and Preventing Dangerous Socio-Political Consequences," to the March 22 Bad Schwalbach session on the Eurasian Land-Bridge. Subheads have been added.

It is a great honor to participate in this conference.

Realization of the harsh 18th-Century capitalism's ideas, like that of socialism's ideas with the all-powerful centralist system in every sphere of the economy, social, and political life, led to their disintegration and decline. However, societies suffered huge losses and costs. Therefore, a question arises whether a change of the present economic system is possible without suffering further enormous economic and social costs.

It seems that further costs will be borne by the societies of individual countries. However, the principal question—as to whether these costs can be curbed by taking counteractions and implementing the new “development economy” ideas propagated by Lyndon LaRouche—remains. I am convinced that the closer the total global collapse of world economy and the global scale crisis, the larger the chance for realizing the concept publicized by Lyndon LaRouche. In my view, however, this will not happen without, again, huge suffering and misery to the societies of many countries.

Therefore, I would like to stress the great role and significance of the LaRouche movement, and express my hope that we shall direct all our efforts towards developing this movement, and thus reducing the social and economic costs associated with the present system and its change into the development economy system.

Neo-Liberalism Leads to Bankruptcy

It is obvious, that the realization of neo-liberalism's concept and policy, not only in Poland but also in the world (apart from China and a few other countries), leads to bankruptcy of the economy and global crisis (Argentina, Asian countries, Latin America, and the accumulation of crisis in the U.S.A., Germany, and other countries).

Generally speaking, the neo-liberalism idea is realized with the help of: a free and all-powerful market; globalization; stock exchange games; speculative capital movements; and financial markets.

Many years of experience in Poland and several other developed countries showed that a free market is not able to

solve all problems, and especially the basic ones, in any given country, as on the global scale. It cannot ensure a correct—from the social, economic, and political point of view—allocation of investment funds and economic development.

Free market activity is closely associated with the idea of globalization, understood as a free flow of capital and other material and non-material means, the only aim of which is to maximize profits on a global scale by powerful supranational concerns. The management of these concerns has nothing in common with a free market or liberalism. They are bound by a centralized system of management and investment allocation aiming at maximizing gains without any concern for social costs.

The idea of such a form of globalization is in particular served by the World Trade Organization, World Bank, International Monetary Fund, Organization for Economic Cooperation and Development, and other international organizations.

The experience of several recent years indicates that the realization of globalization, in this understanding, mainly happens through speculations on stock exchanges and speculative capital flows, maximizing profit.

For that purpose the newest achievements in technology are used, in the spheres of computer science and electronics, as well as satellite telecommunication for transferring information all over the world.

Therefore one ought to consider, what are the consequences of the neo-liberal system with its free and unrestricted market, financial and stock exchange speculations, and the realization of the globalization concept—in this understanding—which only aim at maximizing profit in Poland, Europe, and world-wide.

In terms of economy, this means bankruptcy, and going backwards in the development of many countries and continents, as well as the accumulation of catastrophic crisis on the global scale.

As far as social aspects are concerned, this means general poverty, hunger, and destitution, affecting the majority of a society in terms of individual countries and continents. It leads to the growth of the death rate and the reduction in the birth rate, and subsequently, to a drastic decrease of the population, especially in Africa and Latin America, as well as in Asia. Without doubt, this will lead to wars as well as to nationality and religious conflicts.

In terms of politics, this will mean lack of equilibrium and peace in the world, and destructive fights between certain nations.

The aim of the idea of globalization, mentioned in this paper, is to weaken and eliminate the role and function of a state, and especially those who serve the given society.

LaRouche's 'Development Economy'

What transpires from the above argument is that the realization of "development economy" ideas, proposed by Lyndon LaRouche, is possible by strengthening the role and func-

tion of a state, especially within economic and social matters. Moreover, it is necessary to fight the globalization idea, understanding it in this way, and the functioning of a market which leads to anarchy.

It is obvious that a market should be one of the tools for effecting the national economy's policy, but it should not be seen as the superior and domineering tool.

I am far from proposing such a model of a state. When I talk about strengthening the role and function of a state, I think, amongst others, about: defining the directions for development, methods and means; the allocation of investment funds; using economic and financial instruments for development (taxes, excise duties, foreign exchange, and so on); protection of economic, social, and political interests of a state and nation; and increasing the living standard and development of the country's citizens.

So understood, strengthening of the state's role and function, and overcoming the concept of neo-liberalism and globalization, will serve to reinforce the idea of Lyndon LaRouche's "development economy" and create a Eurasian bridge, which will aid the development of the economies of individual countries as well as the world economy.

Poland is not so big a country as Russia, China, and India, but it is in Central Europe, located along the so-called New Silk Road. Today, its important role in building the Eurasian Land-Bridge linking Western Europe with Russia and Asia—and the most important factor for us—is, however, the fact that Poland is located on the so-called New Silk Route. In this situation, Poland may bring the following contribution to construction of the Euro-Asian Bridge:

- Passage through its territory of transport, energy links, gas;
- Pipelines and oil pipelines and telecommunication links;
- Knowledge of the Russian language, of the mentality, culture, and customs of Russian continent;
- Ability to work with the East;
- Possession of scientific and intellectual potential;
- Participation in investments realized on the Euro-Asian route;
- Performance, supply, and technical backup;
- Participation in exchange of goods along the New Silk Route.

Realizing Lyndon LaRouche's idea means that at the present level of technology development, the problem of hunger can be solved, wars and conflicts can be eliminated, and economic, social, and cultural development on Earth can be secured.

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