

World press coverage says: LaRouche was right!

Venezuela: Armando Córdova, “Globalization: Risks and Opportunities for Venezuela,” *Nueva Economía*, October 1997.

The semi-annual magazine of the Venezuelan National Academy of Economic Science, *Nueva Economía*, cites Lyndon LaRouche as the man who warned that the financial system is heading inevitably toward collapse. The author is the head of the Academy. He contrasts arguments for and against globalization: In the “pro” camp, are those who argue that the current financial system can grow forever. But, “in the second camp are those who decisively affirm the unsustainable character of the world financial system. Among those of whom I have knowledge, the author who has most insistently raised the hypothesis of the inevitable collapse of this system, is U.S. economist Lyndon LaRouche.” Córdova cites LaRouche’s warning from *EIR*, that “very soon, in the near future, in one of these tremors . . . the whole system is going to blow,” and with that, the political system will also blow, as financial leaders around the world recognize that “the system is dead.”

Taiwan: “A Financial Storm Is Sweeping the Entire World,” *Business Weekly*, Oct. 27-Nov. 2.

“The viewpoint of the Schiller Institute: The sooner the investor withdraws, the better.

“In fact, if we move backwards the lens that is focussed on Taiwan, and extend the focal point to the world, we should feel that what the Schiller Institute has said, is true. Since the beginning of the ’90s, the financial storm has intermittently been on a rampage: About 1990, the stock and real estate price was rushing down in Japan, in 1992 the Italian lira was devalued by 30%, in 1994 a financial tempest occurred in Mexico. At the beginning of this year, the situation became even worse, in that the stock market, as well as the foreign exchange rate, began to slide down violently in Thailand, Malaysia, Indonesia, the Philippines, and so on. Europe, Asia and the Americas are all entangled in this financial crisis. . . .

“Lyndon LaRouche, one of the founders of the Schiller Institute, agrees with [Malaysian Prime Minister] Mahathir’s criticism, but he maintains that the problem is more complicated than what Mahathir says, and he stated, ‘The essence of the crisis is not only a financial collapse, which threatens all the monetary stability in the world, a much bigger storm is forming.’ . . .

“The Schiller Institute was founded in 1984. They have branches in the U.S., Canada, Europe, Australia, Latin

America, Japan, India, and in other regions and countries. Lyndon LaRouche, the husband of Helga Zepp LaRouche, the founder of the Schiller Institute, is an American statesman and economist, who has participated in the competition for the U.S. Presidency. For many years, under the leadership of the LaRouches, that Institute has kept a close observation on global politics and economy, as well as ruthlessly criticized the orientation of global economic development.

“Lyndon LaRouche holds that, although the investment, trade, GNP, and national economic growth of many countries are conspicuous, nevertheless, it will be found, after a careful analysis of the statistical data, that a lot of this growth in fact is due to the increase of financial activities, instead of improvement in substantial production. In many countries and regions, including Taiwan, the manufacturing industry accounts for a decreasing portion of the total national production, and is being substituted by services, of which financial services is a major part. Taking Taiwan as an example, the proportion of industry to the total production has been reduced from 50% in the ’50s to 35% at present. Meanwhile, the service sector has increased from below 40% to 62%, of which finance/insurance and real estate have increased the most. . . .”

Taiwan: “This Is Comparatively Only a Minor Earthquake,” *Business Weekly*, Nov. 17-23.

The weekly publishes a three-page interview with LaRouche on the world financial crisis. According to the editors’ introduction: “Taiwan’s most recent experience should be understood as a first, relatively minor in a series of financial and economic earthquakes. It is the onset of a great disaster for not only Asia, but the world as a whole, unless we can effect early and very radical changes in financial, monetary, and economic policies. . . .

“In the last two weeks the stock market has already jumped back to 8,000 points. The exchange rate of the NT\$ has been swinging, with ups and downs, at around US\$1 to NT\$31. The financial market has, little by little, shown signs of recovery, but, followed by the news of the financial crisis in South Korea, the recovery after the storm in Southeast Asia, seems superficial, and there is still a shade covering the hearts of the investors in Taiwan, a shade cast, when the first crisis hit. After all, is this period of international financial storm really finished? Has Taiwan already passed the most dangerous period?

“‘This storm is just the beginning,’ Lyndon LaRouche,

the founder of the Schiller Institute, says. As a famous politician and economist, Lyndon LaRouche once joined the election for the U.S. Presidency, and he is actively engaged in economic circles in Europe and the U.S. For many years, LaRouche not only has been promoting the principles of physical economy, but has also seriously criticized the global financial speculation, which grows bigger and bigger, day by day. He has many times forecast financial storms, including the black Monday in the U.S. stock market in 1987, the corruption of the bubble economy in Japan in the 1990s, etc. As early as two months ago, LaRouche several times stated his forecast, that between the months of August and October, the world would experience a lot of financial crisis, that would take place in many countries in the world. Again, facts prove, that he was right. . . .

Mexico: José Neme Salum, *Excelsior*, Nov. 17.

The Mexican Presidency has issued a call for calm in the face of “unprecedented uncertainty and instability in international financial markets,” and the Banco de México imposed measures to control the entry and exit of short-term capital. Thus has the Zedillo government recognized that it could no longer maintain “the axiom of total deregulation.” “With this, neo-liberalism entered an ‘ideological crisis.’” What is left, then? “U.S. economist Lyndon H. LaRouche—previously quoted only in this column, and now widely reported in other newspapers in Mexico,” warned last week that the International Monetary Fund’s policies “are useless,” and are leading to world financial disintegration. Neme quotes from LaRouche, in a radio interview with “EIR Talks,” on the insanity of trying to bail out bankrupt national economies, and stressing that a new world economic order is the only viable option left.

Mexico: José Neme Salum, *Excelsior*, Dec. 8.

Lyndon LaRouche is “the authority” on the “collapse of the yuppie casino,” writes Neme Salum.

“Unless the government of the United States acts, very soon, to stop him in his tracks, the “bailout” conditionalities which an imperial IMF director, Michel Camdessus, has dictated to South Korea, will have launched the entire world into a global replay of the famous 1922-1923 Weimar Germany hyperinflation.”

“So declared the only economist in the world who has had accurate forecasts in the last 40 years—his most recent, on Southeast Asia—the American, Lyndon H. LaRouche, in a couple of evaluations made last week.”

Before “turning the floor over to the authority on the matter,” Neme writes, there are two events of the week to take note of: Chinese President Jiang Zemin’s speech to the Mexican Senate, in which he spoke of the urgency of a New World Economic Order, and Jiang Zemin’s explanation of the cause of the current crisis, in an exclusive interview with *Excelsior*: “international financial speculation.”

The rest of Neme’s column quotes from LaRouche’s interview with “EIR Talks” of Dec. 3, in which he took apart the conditionalities imposed by the IMF upon South Korea, as “an attack, essentially, against the United States by a group of European financial interests centered in London. The next targets will be Brazil and Argentina. . . .”

Italy: *Arena* magazine, December 1997.

“The financial crisis of the Asian stock market cannot be considered as a local development. *EIR* magazine has denounced the threat of the financial speculation for a long time. . . . The hypothesis of an historical crisis of the Asian economy and of the danger for the economic world system looks more and more realistic. In fact, in the light of what happened in the last months, no ‘fireman’ is credible. Where were the supporters of the radiant phase of the world economy when, last July . . . *Executive Intelligence Review* warned against the explosion of regional crises and the probable convergence of some of them by the fall?”

China: Wei Jianing, director of the Financial Research Office of the Development Research Centre of the State Council of China, “Asia Draws Lessons from Financial Crisis,” *China Daily*, official English-language newspaper, Dec. 9.

“The recent global financial turmoil that started to devastate Southeast Asia this July has greatly shocked the world.

“But actually many economists like Lyndon LaRouche already cautioned the world several years ago against the coming of a worldwide financial crisis in the 1990s.”

The article then cites Paul Krugman’s book *The Myth of Asia’s Miracle*, warning of the dampened enthusiasm of the Asian “tiger” economies for the so-called “East Asian Miracle.”

Wei Jianing continues:

“However, some governments neglected those warnings.

“But international financial speculators instead noticed the weak points of East Asian economies outlined by those economists, and made the decision to attack their currencies.

“To date, many reasons have been given to explain the recent currency turmoil.

“Some attribute the trouble to internal causes like the decline in the competitiveness of those economies, overheated investment, bubble economies, and an inflexible exchange rate system.

“Others argue that external factors such as the increasing number of financial derivatives products, existence of large amounts of international hot money, and the speculative activities of some international investment arbitrage funds should take responsibility.

“In spite of all arguments, all agree that the recent financial turmoil has drastically influenced the whole world and forced the financial world to reflect on some basic theoretical issues. . . .”