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# I. The New World System

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HELGA ZEPP-LAROUCHE

ADDRESSES PERU ASSOCIATION OF ECONOMISTS

## The New Silk Road Concept, Facing the Collapse of the World Financial System

*On November 17, Schiller Institute founder Helga Zepp-LaRouche delivered the following keynote address to the XXIII National Congress of the Association of Economists of Peru, held in Pucallpa, Ucayali, in the Amazon region of Peru. The title of the Nov. 17-19 congress is "The Peru-Brazil Bi-Oceanic Train: Impact on the Economy of the Amazon Region and the Country." Zepp-LaRouche's presentation, delivered at the opening session on Nov. 17, was on "The New Silk Road Concept, Facing the Collapse of the World Financial System." The Peruvian economists' congress was timed to coincide with the Nov. 19-20 APEC summit in Lima, Peru, with the expected participation of numerous heads of state, including China's Xi Jinping and Russia's Vladimir Putin.*



*Helga Zepp-LaRouche*

Dear ladies and gentlemen, honorable guests of this very important conference: I am extremely honored to be able to speak to you. This conference is very important, not only for Peru and the rest of Latin America, because it deals not just with infrastructure and rail lines, but because it is really about a paradigm shift to a completely new economic system which is eminently possible to realize. Now, obviously, the context of everything has changed with the unexpected, or for some

unexpected, outcome of the American election. It was not just that people voted for Trump, but that they voted against the war policy of Hillary Clinton, which they perceived as the continuation of the present confrontation of the Obama Administration towards Russia and to a certain extent against China. And they also voted against the absolute injustice of a system which has increased the gap between rich and poor to an unbearable degree.

Now, if you look at what caused the actual election result, it was the voters in the so-called "rust belt" in the formerly industrialized states of Ohio, Wisconsin, and Pennsylvania, people who lost employment, who became impoverished, who had no future, and they just gave an absolute repudiation of these policies.

It is an open secret that the U.S. economy is in a much worse state than the official statistics would try to have you believe. As a matter of fact, in certain European economic circles, they call the United States "the country of the limitless statistical possibilities," meaning that these statistics are all massaged and are a paper tiger. And as people know, you can't eat a paper tiger, you can't fill a hungry stomach with that.

The revolt of the population took a first, very, very dramatic expression in June with the Brexit, the an-

nounced exit of Great Britain from the European Union. I would say that the Trump victory in the United States is a reflection of this same rejection of the policy of the establishment, where people feel that this establishment has completely gotten out of synch with the interests of the common people. Therefore, unless the policies are dramatically changed, in all of the United States and in all of Europe, and many other parts of the world, one has to expect more such populist revolts, such rejections of existing policies.

In his acceptance speech, where Trump all of a sudden was more statesmanlike, he not only promised that he would be the President for all Americans, but he announced that he would rebuild the United States economy: Build roads, bridges, train systems, and he even said that he would make the United States the most modern infrastructure in a few years, which is a big promise, given the infrastructure development in other parts of the world already. But he promised that he would reconstruct the real economy of the United States.

### Six Land Corridors

This obviously will have a big impact on the ability for the Latin American countries to put a lot of emphasis on their infrastructure development. This is not an option, this is an absolute necessity, because the world, at least concerning the trans-Atlantic part of the world economy, is facing a larger explosion than 2008. Many people have illusions about that, but we are sitting on a powder keg, in which you are stuck with the too-big-to-fail banks, those you cannot let go under because their crash would bring down the whole financial system, and whose managers you cannot put in jail for the same reason. They are much bigger today than they were in 2008; the debt and derivatives exposure is 40, 60, 80% larger. Take Deutsche Bank alone: They have a derivatives exposure of 42 trillion euros, which is four times the entire GDP of the European Union and 12 times the GDP of the German economy.

All the major too-big-to-fail banks in Europe and the United States have Deutsche Bank, with its derivatives exposure, as their derivatives counterparty. Therefore, if Deutsche Bank goes bankrupt, it would bring



Cabinet Public Relations Office, Japan

*Japan's Prime Minister Shinzo Abe met President-elect Trump Nov. 17 in New York.*

down practically all of these banks. But the same condition is true for the Italian banks, and for many of the British banks after the Brexit.

In addition, you have the problem that these banks all have had dramatic losses in the last years because of criminal fines, because they have been involved in a large variety of crimes: LIBOR manipulation, sums in the three-digit billions; money laundering: HSBC. You had the Wells Fargo Bank in open fraud against its customers; the same for Deutsche Bank. And there are many other examples.

The only way you can stop these developments, so as to prevent a repetition of the 2008 explosion on a larger scale, is by implementing, immediately, the Glass-Steagall banking separation law which Franklin D. Roosevelt implemented in 1933. That has to be the absolutely necessary first step, but it has to be followed with the Four Laws of Lyndon LaRouche which I will talk about a little bit later.

Now, this situation is very dangerous and must be remedied. With the election of Trump, nothing is clarified yet. The only thing which has been eliminated is the immediate danger of World War III, but if the economic reforms which I'm now going to talk about are not implemented on a global scale, we may be back in a war danger in the very short term. So do not be at

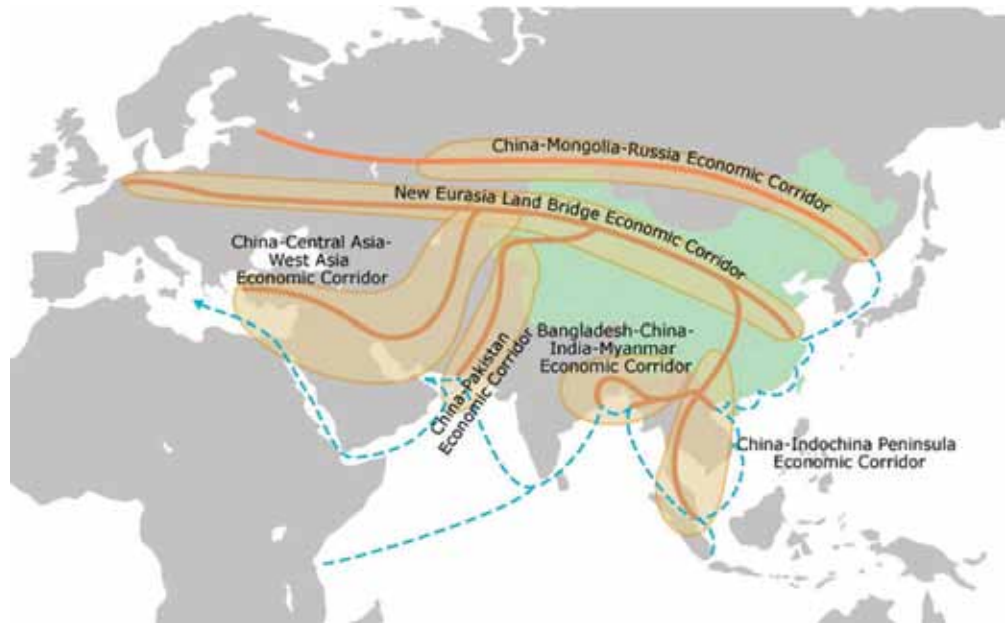
ease, but be optimistic, because the alternative economic system is already in place. And since most of the media have not paid adequate attention to that system, let me elaborate on it now, and you will see that we are actually in the middle of a huge development perspective already.

China, in particular President Xi Jinping, three years ago proposed the creation of a New Silk Road. He consciously referred to the ancient Silk Road which—2,000 years ago during the Han Dynasty—connected China with Europe, and

at that time it was not only the exchange of goods such as porcelain, silk, book printing, and many other things; but it was also the exchange of culture, of ideas, and most important, of technologies—not just silk but the technology of how to make silk, how to print books, how to manufacture porcelain. At that time it led to an absolute increase in productivity, of culture. It meant a tremendous upgrading of civilization at that time.

Now, today, it would mean, and it is already meaning the exact same thing in terms of modern technologies, such as high-speed rail systems, space cooperation, fusion and fission research, and other advanced technologies. Since President Xi Jinping announced the New Silk Road in Kazakhstan in September 2013, there has been an absolute explosion of economic activity, and already, now, this whole project is 12 times larger than the Marshall Plan, which reconstructed the German economy in the postwar period. It already involves 4.4 billion people, the majority of mankind; it involves more than 100 nations and large organizations. And to just give you an idea of the enormity of what has happened in these three years, I want to give you a short overview of the different projects which are already near completion or under way.

There are presently six large land routes being constructed: This is the “belt” in the One Belt, One Road



*Six of the large land routes under construction as development corridors. President Xi Jinping proposed the elaborate New Silk Road project in Kazakhstan in September 2013. The project is already 12 times larger than the Marshall Plan.*

conception of the Chinese. Most of them are in different degrees of completion. You have the Eurasian Land-Bridge connecting China, Kazakhstan, and Russia, to Europe. Then you have the different corridors: one going from China to Mongolia to Russia; a second one from China to Central Asia to West Asia; a third one is the corridor between China and Pakistan, which China has invested \$46 billion in alone. The fourth, Bangladesh, China, India, and Myanmar; the fifth, from China to Indo-China; and then you have in addition to that, the so-called 21st Century Maritime Silk Road, which is the “road” in the One Belt, One Road.

## 52 Special Economic Zones

From Chinese ports, this Maritime Silk Road goes through the South China Sea to the Indian Ocean, to Europe; a second route from China through the South China Sea to the South Pacific. All of these projects are based on a “win-win cooperation” with the idea that not only China profits from them, but all participating countries will, equally.

Xi Jinping made this really his personal project. Look at how many personal trips he conducted in these three years, he went to 37 countries on state visits: 18 in Asia, 9 in Europe, 3 in Africa, 4 in Latin America, and 3 in Oceania. He made free trade agreements with 11 states along the One Belt, One Road. He made bilat-





*The first train of the first regular railway freight service linking Guangdong Province and Germany as it is about to depart on April 15, 2016.*



Xinhua/Cai Zengle

*A bullet train running over a bridge on the Lanzhou-Xinjiang high-speed rail line in northwest China's Xinjiang Uygur Autonomous Region.*

eral agreements with 56 states. He made joint Memorandums of Understanding for planning operations with scores of regional organizations, such as the European Union, the Central and East European Countries (CEEC), the Mekong neighboring states, the African Union, the Shanghai Cooperation Organization, the Eurasian Economic Union (EAEU), as well as ASEAN, and ASEM (the Asia Europe Meeting). This is becoming a very extensive integrated network of projects.

Part of these projects are transport lines which represent the traffic arteries through these countries. It includes the agreements for telecommunications, power plants, power grids, the creation of conditions governing locations which make landlocked areas suitable for investment as well as ocean or river sites. It is important for agriculture and development to develop these conditions. It includes the building of many new cities.

As of mid-2016, 39 cargo routes have been developed from China to Europe, on which trains arrive every week. It involves the activities of many Chinese state corporations, such as the China Railway Group Ltd., and the China Communications Construction Co. Ltd. It involves 38 large infrastructure projects in 26 countries. It involves new transport grids through landlocked areas which were completely unreachable before. It involves the upgrading of ports, and the modernization of existing infrastructure.

In the Chinese part of the Silk Road, by the middle

of this year China had already built 98 new airports. Very soon it will be the case that no city in the One Belt, One Road region will be farther away from an airport than 100 km. Within China, China has already built 20,000 km of high-speed rail for running a very excellent model of high-speed train developed by China. By the year 2020, they want to have a 50,000 km high-speed rail system in China, connecting every major city through such a system. And this is intended to be extended to the other countries.

The following Chinese state companies are involved: Telecom China Unicom, China Mobile, and TD-LTE Net 4G mobile telecommunication. They have now contracted for plans in 30 countries, including China, the United States, Japan, India, Saudi Arabia, and Russia.

Already in the last three years, this has led to an explosion of trade: Between 2013 and 2016 the trade volume increased by \$3.1 trillion. There are \$51 billion direct investments in these countries. China has created five Special Economic Zones (SEZ) across its borders: One in Dongxing on the border with Vietnam; another one Ruili on the border with Myanmar; another in Erenhot on the border with Mongolia; and another one called Manzhouli on the Russian border. Plus one in the port of Mongla in Bangladesh on the Bay of Bengal.

In addition, they have created 15 zones of economic cooperation across borders: In the northeast of China in Liaoning in the border area with North Korea; a second



<https://mozambiqueiningpost.wordpress.com>

*A gas pipeline in Mozambique, funded by China.*



Xinhua/Le Yanna

*Staff members in the workshop of a Chinese-funded plant in Van Trung Industrial Park in Vietnam, July 9, 2015.*

one in Jilin, in the border area of North Korea and Russia; another one in Heilongjiang, with Russia; another one in the south of China in Guanxi; and a fourth one in Yunnan at the border with Vietnam; and four such zones have been built in Xinjiang on the border with Kazakhstan.

By mid-2016, China had agreements for a total of 52 Special Economic Zones (SEZ) in 18 countries along the One Belt, One Road. Three of them are already fully operational: the industrial park between China and Belarus; the second one between Thailand and China, the Rayong industrial zone; and the third is the Indonesia-China Integrated Industrial Parks. The others are in different stages of realization, such as the industrial parks in Cambodia, Vietnam, Pakistan, Zambia, Egypt, Nigeria, Ethiopia, Hungary, and four such zones in Russia.

### **The Far Side of the Moon**

Part of this is an upgrading of the energy infrastructure. China is presently participating in 40 energy projects abroad, comprising power plants, electricity grids, and oil and gas pipelines in 19 countries, including the Central Asia-China gas pipeline which was started in 2014, and the very huge Russia-China gas pipeline which also was started in 2014. And this also includes joint nuclear projects with China and Romania, with China and Great Britain, China-Pakistan, and China-Argentina.

China is also involved in the construction of water

projects in Angola, Brazil, Nepal, Pakistan, and Argentina.

To finance all of this China also initiated, together with the other BRICS countries, a completely alternative financial system, responding to the fact that in the last decades the activities of the IMF and the World Bank have betrayed criminal neglect of funding infrastructure in the developing countries, leading to the absolute underdevelopment of such continents as Latin America or Africa, or large parts of Asia. China remedied that by creating the Asian Infrastructure Investment Bank (AIIB) in 2015, which immediately, despite massive pressure from Washington not to do so, had 57 founding members, including Great Britain, Germany, France, Australia, New Zealand and Canada—very strong allies of the United States, which found it more attractive to join this bank. This bank has \$100 billion of founding capital.

Then in addition, the BRICS countries created the New Development Bank in July 2015, which also had \$100 billion in founding capital. By December 2014, China had already created the \$40 billion New Silk Road Fund. The Maritime Silk Road Fund amounts to another \$40 billion. But the largest part of this financing still comes from state banks such as the China Development Bank, which is involved in more than 900 projects for transport, energy, and raw materials in 60 countries. The China Export-Import Bank is involved in more than 1,000 projects as well—roads, rails, ports, power plants, pipelines, communications, and indus-



China National Space Administration

*An artist's rendering of a base in space from which mankind can venture forth to explore.*

So China, which has completely understood the science-driving ability of the space program, is now conducting probably the most advanced space program of all countries in the world. They will go to the far side of the Moon at the end of 2018, which will open up tremendous windows into space, because it's more shielded from the radiation from the Sun and from the Earth, so you will find totally new insights into the laws of the universe at that time. And China, by the year 2022 will also have, as it stands now, the only functioning space station. And they

trial parks in 49 countries. The China Export and Credit Insurance Corp. also supports investments totalling \$2.3 trillion in medium- and long-term projects in the high-tech area, in machine-tool building and similar areas.

Then, as a very important additional element in the new financial system, there is also the Contingent Reserve Arrangement (CRA) of \$100 billion, which was the reaction of the Asian countries and the BRICS countries to the speculative attacks which caused the Asia crisis of '97, in which such speculators as George Soros speculated the currencies of a country down by 80% in one week. So the CRA has been created to counter such speculative attacks for all the participating members.

Now, at the G-20 Hangzhou summit, which this year was organized by China, China put a lot of emphasis on innovation, insisting that innovation must be the driver of the world economy. By the middle of this year, China had already signed in this spirit, Memorandums of Understanding with 56 countries for scientific cooperation, joint space research, and joint investment in research of energy environment. They have created 38 science centers and technology centers, research labs, R&D industrial parks, exchange of scientific personnel and especially an exchange of several thousand young scientists of the countries along the One Belt, One Road.

have especially invited developing countries to be part of that, so that these countries' development is not held back.

### **Confucian Philosophy**

If you look at these developments, they are absolutely breathtaking. The first maps which were published in 2013 only showed very narrowly the One Belt, One Road line from China to Europe and the Maritime Silk Road. But if you look at the subsequent three years of development and fill in the projects which I just have named, you can see that this conception has grown exponentially. We, the Schiller Institute, are not unrelated to that, because this is a project we have pursued for more than 25 years: The so-called Productive Triangle linking the industrial zones of Western Europe with those of Eastern Europe was our answer to the fall of the Wall in 1989. Since the Iron Curtain was no longer there, we proposed economic integration of Eastern and Western Europe, and when the Soviet Union disintegrated in '91, we simply extended the so-called "Productive Triangle" to connect from the European industrial and population centers to those of Asia through infrastructure development corridors, and we called that the Eurasian Land-Bridge, the New Silk Road.

And we kept making new projects, we kept devel-



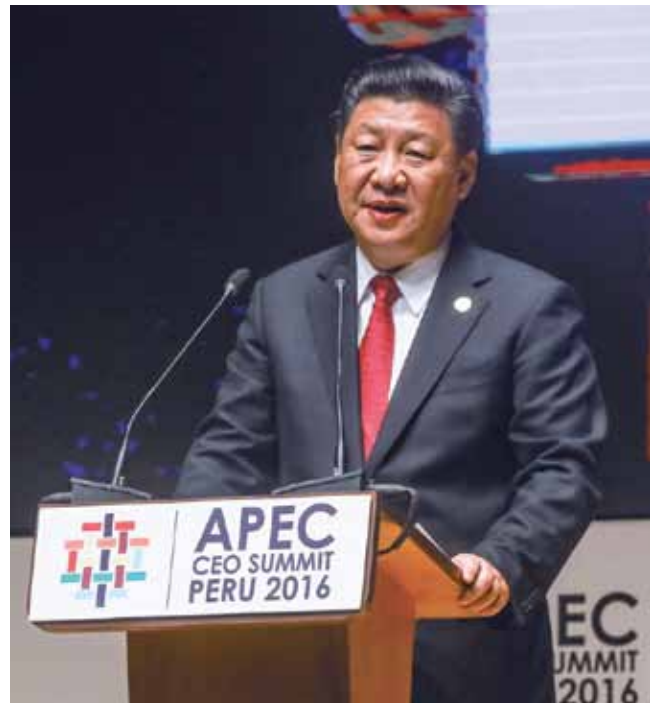
oping this idea further for every part of the world: for Latin America, for Africa, for the Middle East. Naturally at the time that Xi Jinping again put the perspective of the New Silk Road on the table, in 2013—which they had previously done in '96, and which had been halted because of the Asia crisis—we intensified these studies and produced a 370-page study called [\*The New Silk Road Becomes the World Land-Bridge\*](#). When you look at the projects of that blueprint you can actually see that what China is doing right now by advancing all the projects I just named, will very, very rapidly to fill out the proposed projects of the World Land-Bridge.

From that standpoint, it is not a question of whether the rail line should be built from Brazil to Peru, or from Brazil to Bolivia to Peru, because all of these will be built in this larger World Land-Bridge.

At the time that this discussion initially occurred in 2013, many countries in Central Asia had exactly the same debate. They said, “Oh, this New Silk Road is not good, because it only proposes the east-west alliance between China and Europe, and we want the north-south alliance from Central Asia to Russia.” This is all solved, because at the latest big conference in Vladivostok in September, and then after other conferences last month in St. Petersburg and Moscow, the full integration of the Eurasian Economic Union with the New Silk Road/One Belt, One Road Initiative is already taking place.

What is really happening is that the Chinese economic model has become the most attractive economic model in the world, because China—like Germany, by the way, in the postwar period—China also had a real economic miracle, since China was able to speed up the economic development for which the industrialized countries had required 200 years. China did this in essentially 30 years. Therefore when China offered, in 2013, the participation in that model on a “win-win” basis, what Xi Jinping really offered is the idea that every country in the world can participate in the kind of development which China has demonstrated.

China obviously has the so-called “Chinese characteristics,” which means a very strong influence of Confucian philosophy. It also means naturally a one-party system which many countries don’t have. But in principle other countries can approximate this model absolutely if they focus on that which China was focussing on in its economic model, namely excellence in education, consistent emphasis on new innovation, lifelong



*Xi Jinping delivering his opening remarks to the Asia Pacific Economic Cooperation (APEC) Summit in Lima, Peru, Nov. 19, 2016.*

education of the labor force, and leapfrogging technology—in other words the idea that developing countries must not repeat all the steps the industrial countries have taken, but they can choose certain state-of-the-art technologies and become the best in these areas, and in that way pull the other areas of the entire economy upward.

## Two Systems

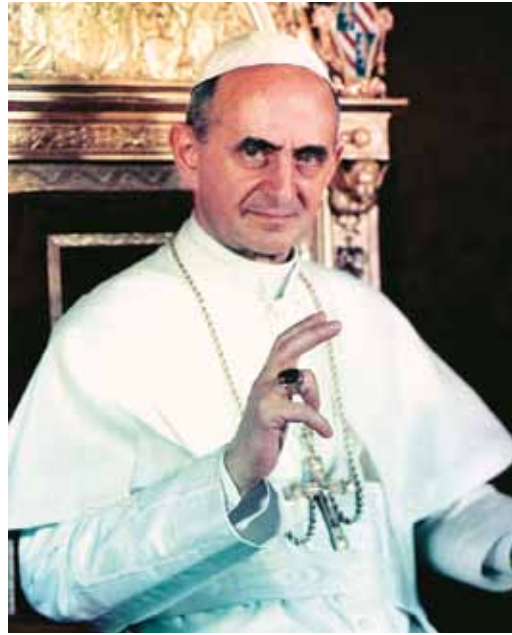
The Chinese model has become so attractive that it is very, very clearly the centerpiece of a completely new dynamic, and of a strategic realignment of many countries. The fact that there is such an option now, has already changed the world. The option for development for the developing countries has not existed since the assassination of John F. Kennedy, or actually since Franklin D. Roosevelt—it existed for a short period with John F. Kennedy—but for the last 50 years, there was to the contrary the clear attempt to prevent development of the developing sector. There was the completely fraudulent thesis of the Club of Rome saying that there are “limits to growth,” that we have somehow reached the end of the ability of the planet to grow. This was the basis for the creation of the Green movement. The Club of Rome and the famous book *Limits to*

*Growth* was based on a completely fraudulent thesis, which asserted that resources are limited, leaving out, consciously, the fact that what is a resource is entirely determined by the level of technology with which you work on that raw material. You have either a stone tool in the Stone Age, or you have a piece of iron, or rare earth mineral, something an engineer can make absolutely the most advanced things out of—that entirely depends on the level of technology which determines what kind of raw material you have.

In the time of the first two decades after the Second World War, in the United Nations you still had what was called at the time, “UN Development Decades,” which was the idea that each decade would lead to an improvement of the developing countries. But that was then replaced by a completely different idea. In 1967, Pope Paul VI still produced an Encyclical which he called *Populorum Progressio*, which was the idea that every country had the right for full development.

After the paradigm shift of the Club of Rome/zero growth oligarchy, they replaced the right to development with such notions as overpopulation, sustainable development, appropriate development, which was really a synonym for no development at all.

With the New Silk Road/One Belt, One Road Initiative, however, and the alternative financial system, the AIIB and et al., you have for the first time, again the chance to completely break out of this anti-development containment. But it is also clear that the international oligarchy which was behind this zero growth movement is still waging a war against development. I’ll give you one example: The so-called Said Business School of Oxford University published a completely absurd report in September of this year, in which they said that infrastructure investment of \$10.8 trillion by China in the last decade would be the cause of a pending collapse of the economy in China, and consequently of the world economy. This conclusion is based on the idea that infrastructure is not profitable, which is absolutely ridiculous.



Pope Paul VI

When we talk about infrastructure, we’re not talking about transport lines from A to B, for which the profit of such infrastructure would come out of a toll booth of a privatized highway or a privatized railroad. But we are talking about infrastructure in the context of physical economy, in which it creates the absolute necessary framework for the development of agriculture, industry, the productivity of the labor force, and the unleashing of the creative powers of mankind.

Infrastructure is only one aspect of what Lyndon LaRouche has called “physical economy,” a notion which actually originated with Gottfried

Leibniz, who used it for the first time in the context of the discovery of the steam engine and the increase of productivity through the input of science and technology in the production process. This tradition continued through the cameralists, through Friedrich List, the author of the Customs Union concept in Germany, and the one who very clearly in his economic theoretical writings made the distinction between the American System of economy and the English system—the fundamental difference between the national economy of Alexander Hamilton, the United States’ first Secretary of the Treasury, and the free-trade advocate, Adam Smith.

The fight between these two systems has continued to the present day. It is the fight between the oligarchical system trying to get maximum profit by keeping the population down and backward, and the republican model of economy which says that the only source of wealth is the creative abilities of the population.

### Out into Space

Friedrich List is, to the present day, the most known and most studied economist in China. At the Fifth World Congress in China in 2013 in Shanghai, the majority of economists said that they based the Chinese economic model primarily on the theory of List. List maintained that the development of the productive powers of labor and the resultant increased industrial



capacities are much more important than so-called statistical wealth, monetary values, unlike asset-driven economies such as the United States and Great Britain. Friedrich List wrote for a contest of the French Academy of Sciences in 1837, in which he developed a vision for the future role of transport systems, which he called a space and time economy, ideas which are still completely valid for today.

Friedrich List saw in the continuous perfection of transport and communications systems, the precondition for the progress of humanity, enabling human beings to increasingly unfold the potential given to them by nature. The idea was that the more talents could exchange their ideas and collaborate in all areas, the greater progress would be in all areas of knowledge, and the more science and art would be inspired and spread to all sectors and disciplines.

And, he observed something that is completely applicable for our present jet age, noting that the easier it would be for human beings to move from place to place, the more they would save time and compress space. The more the development and efficiency of his powers would increase and utilize the material riches of nature for his purposes. He said the impact of these characteristics of space and time in economies would be demonstrated by the wealth of nations which would develop an advanced transport and communications system even if their natural environment was unfavorable. The high degree of speed, regularity and cost-efficiency of transport would facilitate new levels of the development of the mental and material productive forces.

In an almost prophetic forecast, he saw this new development orient towards the uniting of all nations in one humanity, in a republic of the planet based on the economy of mankind.

Now, it is the realization of this program of the World Land-Bridge, proceeding from the common aims of the mankind, which will be exactly the fulfillment of what List called the “republic of the planet, the economy of mankind.”

Friedrich List was a visionary. And indeed, the World Land-Bridge which he anticipated is the natural next phase in the evolution of mankind. And I want to also remind you of another great person, whose ideas are very relevant for this, and that is the great German rocket scientist Krafft Ehrlicke, who looked at the long



*Friedrich List*

arc of the evolution of the development of our planet and mankind. He outlined how life has developed out of the oceans with the aid of photosynthesis to the land; how it then came to the evolution of one species to the next, always having a higher energy-flux density in their metabolism, until you finally arrive at the human being who is distinct from all previous species, through his creative intellect, through his creative reason which is not shared by any animal or any other possible form of life.

Now, in the early development, this human being, or man, could only settle on rivers or on oceans. Then as the development continued, with the help of infrastructure, man could really open up the landlocked areas of the planet. And as the technological development became more efficient, man developed these railways, and in that sense the World Land-Bridge conception, which will open up the remaining landlocked areas of the planet, is really the logical next phase of the evolution of man.

And it does not stop here, because the next phase of the evolution is to bring this infrastructure into near space. The industrialization of the Moon which the Chinese are most advanced in pursuing, is the obvious stepping stone for larger excursions into near space, to develop a much better understanding of the laws of our

Solar system, of the Galaxy, and finally the laws of the Universe at large.

In order to solve the problems on Earth today, we all must assume the view of the astronauts, the cosmonauts, the taikonauts, who all report when they come back from space, when they look down they only see our small, fragile, blue planet, and you don't see borders, you don't see divisions, you see one mankind, and one planet.

### **Patriot and World Citizen**

So obviously, Earth is not what the environmentalists claim, an Earthbound, closed system, but life on Earth is part of the laws which are defined in the Solar system, and in the larger scale, defined by the Galaxy. So therefore, the solutions to all the problems on our planet have to take into account what is going on in the space around us and the interaction, for example, of the Solar system with Galaxy, the impact that has on the climate and similar things.

Now we can also, from that large arc of evolution determine the necessary next step of discovery, where must we put the focus. Because mankind should not vanish—you know there are many geologists who say that mankind only appeared one second before midnight, and will disappear one second after midnight in the longer arc of the evolution of the Universe. I don't think that that is an acceptable view, because mankind is capable of mastering the laws of the Universe, and if mankind were to vanish then all the great works of our forebears, of such musicians and composers, as Bach and Beethoven, would have been in vain, because they would vanish. But mankind can go on a path of scientific and technological progress, where we will overcome all hurdles which we already can see clearly in existence, such as asteroids or developments on the Sun which affect the planet Earth. We can create a path to overcome these types of problems.

Now, let me return to what I started with. The U.S. election has created a potential to go in this direction. The absolute precondition is that the relationship between the United States and Russia and the United States and China must be put on a new basis: This is absolutely crucial for world peace, it is absolutely crucial to solve the terrible crises in Syria and Ukraine.

Therefore, in order to make all of these things a reality, we need a completely new set of international relations among nations. We have to proceed from the UN Charter which has absolute respect for the national sov-

ereignty of all countries, which follows the principle of non-interference, and respect for the different social systems. President Xi Jinping has offered a new model of the relations among major powers which says basically, exactly that: non-interference, mutual respect for the sovereignty of the other. But these are the principles which also must guide the relations of the countries working together on the One Belt, One Road.

Therefore, we have to absolutely replace the old geopolitical view, which insists that one nation or group of nations has a legitimate interest against another group of nations, and we must replace this geopolitical idea, with a new paradigm for mankind, which must be defined by the common aims of mankind. President Xi Jinping has called that the "community of common destiny," or the "community of a common future of mankind."

This must be defined based on the idea—where do we want mankind to be in a thousand years from now? Or in 10,000 years from now? And if you think back, 10,000 years ago, from the standpoint of the development of the Universe, it's a very small part of time, so we have made a gigantic leap in the last 10,000 years. And I imagine we will make an even more gigantic leap in the next 10,000 years, and if we are going to survive as a human species, we will have to change the way we think about our kind completely. We have to think about it from the standpoint of a unified humanity.

Friedrich Schiller, who is the wonderful poet, after whom the Schiller Institute is named, was of the opinion that there must not be a contradiction between being a patriot and being a world citizen. I think that that idea is reachable in our time, because if we give every newly born child on this planet a universal education which transmits not only universal history, geology, music, science, the arts, but also a knowledge and love for the other cultures in their highest expression, of the German Classics, of Confucianism, of the Gupta period, of Cervantes, of Goya, of every high point of each culture, then these children will be able to develop the entire potential which each of them could unfold, and which in the past only very few exceptions could unfold.

### **The Future of Man**

The immediate steps ahead to solve this crisis must be the following: We must have an immediate, global implementation of the Glass-Steagall law implemented by Franklin D. Roosevelt in 1933. We have to end the casino economy where money is the reference

point as opposed to the development of the real economy and the creative potential of the population. This, then, naturally must be followed by the other three fundamental laws developed by Lyndon LaRouche which must be the creation of a National Bank in every country in the tradition of Alexander Hamilton, who created the United States with that institution; and then a credit system in every country which gives credit lines for the development of infrastructure, research & development, education, and other things which contribute to the increase of productivity and creativity of the population; and finally, we need a combination of such credit systems through a New Bretton Woods system which will be the relation among the national economies, organizing the international investments in the projects of the World Land-Bridge, which will have international clearinghouses, to compensate for the fact that nations are different. They're not all the same: you have small nations, large nations, thinly or greatly populated countries; we have countries which have a lot of raw materials, others have few or none; you have countries which have skilled labor, others have not so skilled labor forces. And you need a development perspective of at least 20, 30, 40, or 50 years,

in order to overcome that, and these clearinghouses must be what calculates that and makes sure that the bad practices of the World Bank, which demanded payback of credit before the projects were realized—that this practice is replaced by a complete focus on the completion of these projects and the fulfillment of their potentials.

So therefore, as you could see by my remarks, we are not only talking about rail lines from Brazil to Peru, or infrastructure as such. We're really talking about a completely new paradigm in the thinking of mankind. We are talking about a new era of civilization in which all human beings, every single child born on the Earth, will have the potential to develop every aspect of the potential embedded in him or her.

The future of mankind, if we are to exist, will therefore be that we will have a lot more geniuses, that it will not be that we will have a genius once in a century, like Plato, Confucius, Beethoven, or Einstein. But that a person of such a quality will be increasingly the new normal identity of civilization.

So in that spirit, I think we are hopefully at the beginning of a completely new era of mankind.

Thank you.

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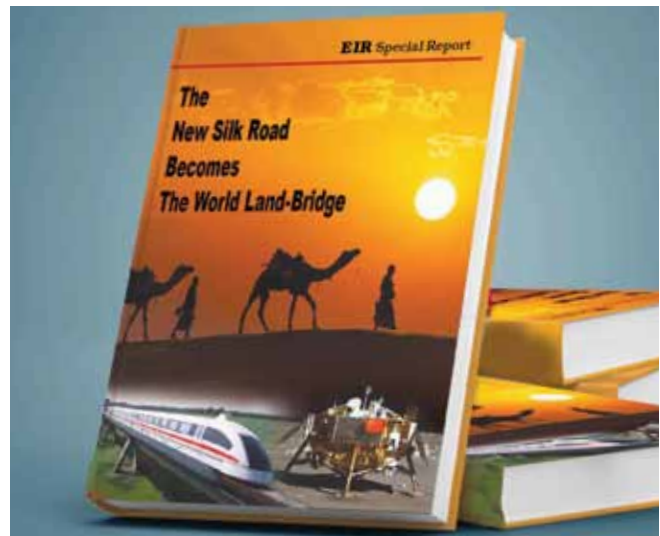
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