Our choice: world reconstruction, or world dictatorship

by Helga Zepp LaRouche

The following is edited from Helga Zepp LaRouche's presentation to a Washington, D.C. seminar hosted by EIR, on July 17. The keynote was delivered earlier by her husband, Democratic Presidential pre-candidate Lyndon LaRouche, who focussed his remarks on the strategic significance of the campaign to impeach Pennsylvania Gov. Tom Ridge, whose budget-cutting policies are the paradigm for a fascist United States, under the dictatorship of the so-called Contract with America.

What I want to do, is to counterpose two completely different approaches for how to relate to the strategic and economic reality in the world, which are right now both on the agenda. The question of which of the approaches will be the dominant one, will determine your history, your fate, that of your children, and your grandchildren. Therefore, it is advisable that you very quickly become familiar with these two fighting tendencies, which right now are in completely opposite directions.

On the one side—and that this is not an unimportant matter, you can see by the fact that two weeks ago, in Lyons in France, there was the G-7 summit.* The G-7 is the Group of Seven most important industrialized countries—that's the United States, Japan, Germany, Canada, France, Italy, and Great Britain. They met to discuss the condition of the world, and for the first time, they had in that meeting—and that represents a real coup, a coup which, if not defeated, will be devastating—they conducted this meeting not only in the presence of Mr. Chernomyrdin, in replacement for Yeltsin, whose health was very bad, but in the presence of the heads of the United Nations (Boutros-Ghali), the International Monetary Fund (IMF), the World Bank, and the World Trade Organization.

Basically, what was discussed at that meeting, was nothing less than to establish

* See also EIR, July 19, “G-7 Leaders Reach New ‘Munich Pact’ at Lyons Summit.”—ed.
world dictatorship by these supranational institutions.

This meeting, however, had two levels: One was for the credulous masses—it put out nice words, nice documents—and these words were completely "virtual reality." They had as much to do with the real world as any computer game you may be watching: basically nothing.

It is very clear that if that scenario, which was discussed in Lyons, would become the dominant one, the world would end up in an absolute catastrophe.

Now, the alternative, about which I'm going to speak some more today, is another reality which is emerging, which is totally in this real world already existent, and that is the emergence of the Eurasian land-bridge, the new Eurasian land-bridge, as the potential cornerstone of a global economic reconstruction, including the United States, Ibero-America, and Africa.

The success of the latter obviously requires a financial reorganization of the type Mr. LaRouche has been talking about this morning, and it means to return to the kind of strategic alliance which existed under Franklin D. Roosevelt, when the United States was allied with Russia and China. And, these three powers have to be united against the British Empire, which today has made its tools these international/supranational organizations—the World Bank, the IMF, the World Trade Organization.

Now, if we go in the direction of building the Eurasian land-bridge, as I will show you later, there is every reason for optimism. As a matter of fact, we are probably right now, closer to the biggest economic miracle in the history of mankind than you know. This may sound miraculous to you, but I can assure you that there are parts of the world which are completely different, which are absolutely not so culturally pessimistic, not so downtrodden, and not willing to roll over and die, as many people in the United States and in western Europe seem to be.

I will go into this in a second, but let me just tell you: Which of these two scenarios would prevail, global world dictatorship or global reconstruction around the Eurasian land-bridge? This is not something which will be decided in the distant future. It may be that this decision will be forced upon the President of the United States even before the end of the election campaign. He, obviously, doesn't like that, because people want to have their election campaigns be peaceful, they want to have their elections not interrupted by collapses of world systems.

But, we are right now very close to it, and I hope that you are not among those unfortunate suckers (I don’t know if that’s a word one can use), of people who have invested all their savings in mutual funds. I hope you didn’t do that, because what you can see already, is that the people who have been doing that for the last years, and especially the last 12 months, have been used by the big moneybags to put their savings into these futures funds to speculate on the stock market, so that the mutual funds would be a gigantic buffer, to absorb the coming disruptions, of which you can see already now the first rumblings.
First, a week ago, or two weeks ago, the U.S. bond market was being shaken up. Now, yesterday and the day before, the stock markets around the world were collapsing by 3%, 4%, and this is just the rumblings of much larger shake-ups to come. So, the little people went into these operations, and the big families and moneybags, they have diverted their finances into more durable commodities: all kinds of food, strategic metals, gold, and other more stable investments.

But, as I said, this decision may come, because the collapse of the system is very close, and that actually was already known in Lyons, and that was the real background behind that nice surface. But, let me first say a couple of words about this surface.

Lyons communiqué: a supranational ‘Mein Kampf’

They put out an economic communiqué, an economic joint declaration, at this heads of states summit in Lyons, under the title “Making a Success of Globalization for the Benefit of All.”

Now, this document, actually, if you have some time and interest, it’s really worth looking at it, because when Hitler wrote Mein Kampf, a lot of people later claimed they never read that document, and that all the evil came from the fact that nobody really had read in time what he had written.

This document, while it is in nice diplomatic language, contains actually an incredible collection of lies. And, given the fact that Chirac is the author of it, that should not be a surprise. Somebody mooted that Chirac may actually be a Freemason, because only a Mason could produce so many lies in one document.

Behind the scenes, however, there was panic, panic about a systemic crisis. There were violent attacks, in which President Chirac and Major from Great Britain ganged up against President Clinton, and there was violent shouting. And, they demanded more cuts in the U.S. budget. They claimed that despite the conservative fiscal policies of the Clinton administration, he’s still much too dirigistic, and he should do what the Republicans are demanding: Cut the budget. So, the British and the Republicans right now are actually demanding the same thing for the United States.

Now, the biggest lie of this document, was the thesis: First of all, they say “globalization of the world economy is irreversible. There’s nothing you can do, and it has led to a considerable expansion of wealth and prosperity in the world.”

Now, if you look at the effect of globalization, what it did to the United States: It destroyed productive work places, and, naturally, it opened the way for many cheap, unproductive jobs. But, it has destroyed some of the more expensive, skilled jobs. In Europe, it had a devastating effect. Europe right now is crumbling as a result of it. Russia today has about 20% of the capacities of industry it had four years ago. So you can imagine what the Russian economy looks like. Ukraine is even worse. And, if you go into places like Africa, they are, right now, with very few bright spots and exceptions, Africa is right now a dying continent.

So, to say that globalization of the economy has led to an increase in the world’s wealth, is just a horrible lie.

Then, it says that “Since the summit in Halifax, the economic development has been on the whole positive and disparities of economic performance among us have been narrowing.” Now, if you look at the fact that in the United States alone, the rich are becoming more rich, the ten upper percent are becoming more stinkingly rich by the day, while 80% of the American population is becoming poorer, that same scissors development goes for the rest of the world even more, where you only have a very tiny group of speculators who become richer, while the vast majority of the world is plunging into poverty, hunger, and disease.

They say, “Admittedly, some European countries experienced a slowdown,” but “we are confident that things will get better in the second half of this year,” which has as much worth as reading your horoscope in the morning.

So, the document, however—and now comes the part where I say the comparison to Mein Kampf is legitimate—admits that “because of globalization of the economy, the poorer countries may accentuate their inequality and certain parts of the world could become marginalized.”
What is called so nicely “marginalized,” is that, simply, certain parts of the world—Africa, Latin America, large parts of Asia, but, also, parts of the United States, parts of the cities in the United States, parts of Europe—should become white spots on the land map, where there’s no development, where chaos rules, the mafia dominates, and so forth.

They say that because of this marginalization of part of the world, therefore, we need world dictatorship. And, what they mean by that, is that from now on, apart from the governments that decide world policy, there should be a permanent decision-making body which should meet regularly: the UN secretary general, the IMF managing director, the World Bank president, and the director general of the World Trade Organization. They should form a world dictatorship, and they should impose global economic policies, which comes down to global fascist economics, because if you look at what the balanced budget policy does for the United States, that is exactly the same thing as what the Maastricht Treaty does for Europe, what the IMF conditionalities do for eastern Europe, for Russia, and for the so-called Third World.

They basically admitted in Lyons, to themselves: The system is collapsing, and the only way we will deal with it, is by world dictatorship. Now, that will not function, obviously, because you can have dictators ruling over chaos, and the chaos will be victorious, because, you know, chaos is really not controllable.

So, in a seminar before the summit, the head of the IMF, Camdessus, actually admitted to a small, selected audience of economists, that the system is in pieces, and that a collapse of the entire financial system could erupt at any moment. That was the head of the IMF admitting that.

Now, we know what could trigger this. (Despite all the glorious remarks about Russia, Yeltsin in “good health,” which poor Mr. Gore, for some reason, found Yeltsin to be, while all the Russian media say how swollen Yeltsin is, how bad he looks. People in the European media make comparisons to Brezhnev, to Andropov, to Chernenko, who were kept on artificial life-saving machines for a long time after they had been dead already. So, I don’t know why Mr. Gore finds Mr. Yeltsin in such “good health.”) But, one thing is clear: that the Russian economy is about to die. And, every expert in Europe, at least, knows that the official bankruptcy declaration is due to come within this year, because Yeltsin just threw around money, buying this voter group, buying that voter group. But, now his pockets are empty, and so is the Russian economy, and the whole collapse of the system may be triggered by a bankruptcy of Russia. That’s right now one of the most likely trigger points.

But, so is Japan, where, everybody knows, more Sumitomo bank scandals are on the way, and many other factors around the world, many Barings Banks are on the horizon.

All right. So, that’s virtual reality. Lyons will go into history as having had nothing to contribute to solve the world’s problems. I think the only good thing which happened in Lyons, is that the British and the French behaved so hostilely to President Clinton, that I think it reminded him of the problem. I think that’s the only positive outcome of this summit, and you can see, actually, a couple of positive initiatives by Clinton in the aftermath, reflecting that.

**Eurasian land-bridge conference in Beijing**

Now, there is a concrete alternative on the table. You may not know about it from other media than our own, but I can assure you: There is an evolving, new economic system, which is very real.

I participated, with a whole delegation of the Schiller Institute, in a conference which took place in Beijing, from May 7-9; and the title of this conference was: International Symposium on Economic Development of the Regions Along the New Eurasian Continental Bridge.

This map shows the outline of the Chinese conception of the three different lines of the Eurasian land-bridge (**Figure 1**). And, you will remember our own Schiller Institute conception, which we published many years ago, and you can see the similarity.

This was actually a rather big international conference, with 460 experts and leading officials from 34 countries. And, what was presented there, was really a kind of thinking which is completely lacking in the West right now.

What different speakers, especially of the Chinese government but, also, of some governments from other countries in the region, were presenting there, was a grand strategy for the entire Eurasian land-mass, from the Pacific to the Atlantic: the idea of integrating that land-mass through a network of modern transport, maglev, high-speed railway, energy production and distribution, waterways, and communication infrastructure.

This conference, which, as I said, was not reported in the West with even one word, nevertheless has changed the course of history, because it made known that the Chinese government has put the economic development of this land-bridge very powerfully on the agenda.

In speech after speech, these officials gave a very impressive combination of infrastructure projects which are already either completed or in progress. They produced and distributed about 60 papers at this conference, and this was an official conference by the Chinese government. It was organized by the State Science and Technology Commission, the State Planning Commission, the Ministry of Foreign Trade and Economic Cooperation. And, it was co-sponsored by the UN Development Program, the World Bank, the European Commission, the Asian Development Bank, and a number of other institutions. Jonathan Tennenbaum and myself [both representing the Schiller Institute] were official speakers on the second day of the conference. And, one can actually say that both the Chinese approach and our own approach, were really very, very, very similar.

Now, just to give you a little review of how this came into
The first comprehensive proposal going in the direction of developing the Eurasian land-mass, was made by my dear husband, the world-famous statesman and economist, Mr. LaRouche, at the Kempinsky Hotel in Berlin in 1988, on Oct. 12, where Lyn—and, I must say, if you look back, was really the only statesman of the whole world, at least the Western world, who anticipated the coming collapse of the Soviet Union. Because what he at that speech said, was that because of the economic difficulties which the Soviet Union was encountering at that time, that he would propose that Germany should unify soon, East and West Germany should unify, and that the unified Germany should take, as a model state, Poland, to develop it with Western technologies, and then make the Polish example the key beginning, to develop all the countries of eastern Europe in the same way.

Well, it took exactly one year until the Iron Curtain came down, and things took their course. And, we know that that speech was studied very carefully in many capitals in western Europe and in eastern Europe.

Now, when the Berlin Wall came down in November of 1989, Lyn made the famous proposal of the Productive Triangle, taking the industrial region between Paris, Berlin, and Vienna, which incorporates a triangular region which, at that time, had the largest concentration of industry around the
And, develop this region even more, through high-technology investment, and then, through so-called development corridors, build the infrastructure from the triangle Paris-Berlin-Vienna to Warsaw, to Moscow, to Minsk; another track to Kiev, to the Black Sea, another one through the Balkans, connecting the Middle East. And, basically, use these development corridors, not only to have integrated infrastructure, high-speed railway, maglev, waterways, highways, energy, nuclear energy, as well as communications systems, but to use these corridors as arteries, where the infrastructure is the supply line, but then, about 50 kilometers on each side, you put industries, so that with the infrastructure, you bring the industrial development into eastern Europe, into those regions which were less developed, and especially which had suffered from communism.

The approach at that time, was not to close down the industries of eastern Europe, but, in a certain way, to use up those industries which were not competitive on the world market for infrastructure development, and then use the profit from that, to go into the next highest level of investment. And, that way, you could have brought the economic miracle of western Europe very quickly into the East.

Well, we know that this did not happen, because the IMF instead imposed their rule, and, today, Russia is in an absolute catastrophe. So is Ukraine, and most of the other countries of the former Warsaw Pact.

Now, nevertheless, this proposal was put on the table. And, in 1991, when the Soviet Union collapsed, we expanded that proposal, not only to include eastern Europe, but to include China, Southeast Asia, South Asia, the whole Eurasian continent. Basically, we had a similar program, with three lines, A, B, C, in the north, the middle and the south.

**A new economic era for mankind**

Now, independent of what we did, the Chinese government, since 1985, was building railroads into Northern Xianjiang, and that was actually the precondition to make the connection to Central Asia and Europe. In 1990, the whole line of the new Eurasian Continental Bridge was connected, and put into operation for international use on Sept. 12, 1992. In 1994, the Chinese government decided on the development of the region along the bridge. And I would actually insist that the specific spread of Lyn’s ideas in China, especially the idea of the corridor and the idea of science-driver, is something that clearly was absorbed by many countries in the region. Now in 1995, the Chinese government decided to set up the China-New Euro-Asia Continental Bridge Economic Corridor, and in 1996, in the spring, they incorporated this program into the Ninth Five Year Plan and into the outline of the 2010 Long-Term Development Target, with the explicit idea to speed up its development.

To make this actually possible, on April 26 of this year, there was a meeting in Shanghai with the leaders of China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, who signed an agreement on the strengthening of military trust along the border areas. This is actually very important, because if you want to have this economic integration, you must have agreements among these countries to really want that, and that was one extremely important step in this direction.

**China’s vision of the next century**

Now, what the Chinese government has put, therefore, on the agenda, is a vision for the twenty-first century. And, I want to give you some of the quotes. There were many beautiful speeches given, some of which you can read in the EIR from June 14, but I want to give you some quotes from a very interesting speech by Mr. Rui Xingwen, who is the chairman of the China Development and Promotion Commission of the New Euro-Asia Continental Bridge.

What he talks about, is that this land-bridge actually constitutes the start of a new economic era for a new human civilization. He says that the land-bridge economy, “is a newly developed economic pattern in the world.” It will bring human society into a new era. And then he says, “The term ‘continental bridge’ is a figurative one.” What it means, is a “new, modern, transcontinental, international ocean-land corridor, which connects ocean transportation with land transportation directly by means of railways, as well as highways, aviation, ocean shipping, water transport, and pipeline transportation,” and all of this will be done through computerized
container transportation. And, this will also be equipped with fiber optics communications facilities. There will be new industries, especially microelectronics, nuclear energy, biotechnology, and so forth.

Now, the Euro-Asia-Africa land-bridge across South Asia will go—and some people, indeed, want to involve it via the Middle East into Africa—will go across South Asia, Southeast Asia, West Asia, ending in Europe and in Africa, and the Euro-Asia-America continental bridge, will connect Asia via a dam or a tunnel across the Bering Strait.

So, “It is imaginable,” he says, “that future human society will neither be hindered by oceans, nor be frustrated by severe cold, altitude, and desolation any longer. Transcontinental high-speed trains and expressways will circle the globe, and bring unprecedented new opportunities for existence, development . . . and sharing of science and technology, construction and operation of transcontinental energy, transport, and communications networks, and improvement and enhancement of the regional environment. All these aspects will help the land-bridge economy become prosperous; hence, human society will enter into a new era—the continental bridge era, which is the third development era of human society.”

Now, it’s a very interesting conception, because he says that you can divide human history into two periods up to now. One, was the river economy era, which was when the natural condition of rivers and oceans meant that the environment for human settlement was favorable, so the early phase of human development was along rivers, or along the seaside, and they did not go into the interior of the country much, because living conditions were just not convenient.

Then, the second phase (he separates this) was the seashore economy era, which was when the industrialization, the invention of the steam engine, the steamship, and similar things, enabled people to bridge larger distances, and the third, is the land-bridge economy era. And this, he says, will bring “advanced civilization and prosperity to the vast, backward, landlocked regions, to develop the undeveloped or underdeveloped areas now taking up 80.8% of the total land.
area, and to exploit new development areas, discover new materials, make new cultivation, and form new environments for the existence and development of the human race.”

Why not take this approach? Why not develop the West in the United States? You have a whole part of the United States which is landlocked, very poorly populated, and should be opened up. So, with this conception of linking actually all continents, I think, except Australia—which is a little bit far off, but that’s not a problem, because you can ship there—but to link the whole world through this continental bridge system, is actually a very fascinating idea.

Now, the new Eurasian land-bridge (Figure 2), which goes from the ports of Lianyungang and Rizhao. These are two deep-water ports. The land-bridge is already connecting them with the port of Rotterdam in the Netherlands, and there was a big competition by Amsterdam, which wanted to be the link instead. This already spans a territory of 10,900 kilometers, and they said, this is a new economic region. It’s a gigantic international corridor which, to the East, links up to Northeast Asia and South Asia, and it can further connect to the western coastal cities of the United States. It connects to the west after a track transfer at the Alataw Pass in Xianjiang. It connects to Kazakhstan westward to Aktogay, and, from there, via three routes: the northern route, which you see on top, via the Siberian Railway to western Europe and northern Europe. Then you have a middle route which goes through Russia, Belarus, Ukraine, Slovakia, Hungary, Austria, Switzerland, Germany, and France. Or, a second line in the middle route is through Central Asia, the Black Sea, Bulgaria, Romania, and Hungary, and, from there, to western Europe.

And then the southern route (Figure 3). This, by the way, is the old Silk Road, which existed around 1100 A.D., but that is actually not the oldest one. The oldest one existed 2,000 years ago (Figure 4). And, now, the southern road, which connects to Iran, Turkey, the Bosphorus Strait, Europe, the Middle East, and northern Africa.

Where you see two dotted lines, from Bafq to Bandar-Abbas and from Tajan to Mashhad—completion of that part, was very proudly announced at that conference by the deputy foreign minister of Iran, who said that now the Eurasian Silk Road land-bridge is connected to the Persian Gulf, and they did this, he very happily said, without any international help. They did it entirely with their own efforts, except the friendly support of Turkmenistan. And then on May 14, there was a big conference in Tehran, with the participation of 30 countries of the region, very proudly announcing the opening of that part of the railroad.

Now, what Rui Xingwen’s speech then further concluded, is that this program is in the interest both of the underdeveloped, as well as the developed countries, who have big economic problems themselves, and therefore, for them to participate in this, is actually in their own interest. He stressed the
Central Asian rail link to Persian Gulf port is now complete

Existing main rail lines
Newly completed rail line
extreme importance of basing this cooperation on defending the sovereignty of all participating countries, meaning that it should not be a supranational coordination, but that each sovereign nation-state participates in this project.

This (Figure 5) is an already-existing optical fiber cable which connects western Europe to the city of Shanghai. So, you have a trans-Asian-Europe optical cable trunk system, which will begin to function in April of next year. This will obviously improve communications tremendously.

Now, there were many other speeches at this conference. One, for example, was by a governor from a province who emphasized the importance of connecting Asia with the Paris-Berlin-Vienna Triangle. Now, who but us has used that conception? And, to bring development to China’s west and center region, and it was stated explicitly by Chinese officials, that the aim was to raise the level of development of the western and middle regions of China, as quickly as possible to the level of the developed coastal area, and then to the level of the world.

Now, that means 1.2 billion people are on the road to being on the level of the world, by their goal of the year 2010. So, if these developments go well, by the year 2010—and the Americans better listen—China, not the United States—will be the most powerful nation in the world, and they will be the largest economic power in the world. So, it’s your choice: Do you want to join the Third World, or to join the Eurasian land-bridge?

Now, obviously, this bridge will connect, already, as it is, hundreds of new cities—and we were actually proposing the construction of thousands of new cities along this land-bridge.

‘Like pearls on a brilliant necklace’

This right now is the existing corridor (Figure 6), the dark area is the area where the development corridor is supposed to be, at least of one line, and, along this region, along the transport arteries, we are proposing the construction of thousands of new cities, new cities the size of 300,000 people to a million people, cities which are supposed to be either nuplex cities or science cities, with beautiful architecture. Not these strange malls which they build here now at every place in the United States, so that the whole United States looks, equally, every new shopping area looks exactly the same. No, no, no. We propose the use of beautiful ancient Chinese architecture with the construction of these new cities, this total emphasis on basic research and development. And, ears were very open for our ideas.
Now, as I said, one of the governors said that the bridge connecting these hundreds of new cities will be like "pearls on a brilliant necklace," and the Chinese have this beautiful language all the time, to give metaphor to beautiful ideas.

Now, one governor said, "the only way to narrow the difference between the inland areas, is to develop, in-depth, processing and high-technology industry in the inland areas, with their abundant resources, to promote continuous industrial growth, instead of sticking to the traditional model of supplying natural resources and primary products." And that, again, is an idea Lyn has been proposing in the Pacific Basin program, in the 40-year India development program years ago. But now, people are picking it up.

The idea is: infrastructure not only for the exploitation of raw materials in these areas, but to bring processing, to bring high technology, into the inland areas as quickly as possible, and to bring the level up. And, this has been our main criticism against China in the past, if you remember, that you had 20% of the country developed, and 80% not developed, and we always said that the big challenge for China would be to bring development to the countryside, to uplift the people in the poorer areas, and that's exactly what they are doing right now.

The British Empire's nightmare

Now, if you confront these two conceptions, the difference could not be clearer. The evil IMF world dictatorship, United Nations world dictatorship conception, which was expressed in the Lyons document, said, "Okay, too bad, global-
ization is irreversible. You can’t do anything about it, and you’d better get used to it. Large parts of the world will be marginalized. Ghetto people will be marginalized, Africa will be marginalized, so, forget it—you will be dead.”

Or you have that approach which is the exact opposite: namely, to use the advanced technology of the developed regions, to bring development to those areas which are poor and not developed.

Therefore, no matter if this conference was not reported in the Western media. What was presented at this conference, was a historic bombshell, because it has put forward two completely different agendas for the world.

We found out—which we knew before, because we were involved in this—this conference was in preparation for two years, and it was again and again postponed, mainly because of the key speaker from the European Commission, Sir Leon Brittan, who is the vice president of the European Commission, because it did not fit his schedule, so it was postponed and postponed.

The speech this person gave at the conference, was—if you want to know how the British think, then read that speech. It was an absolute insult, because the message was: Either you submit under the control of the world supranational institutions, or we will cause so much destabilization in the area where the land-bridge is supposed to be, that it will never be built. It was an open declaration of war, by Great Britain against China, and I think that anybody who read that speech, or heard that speech, on the side of the Chinese officials, had no problem in understanding it exactly like that.

Now, he insisted on no dirigistic policies, no state financing. And, you can actually see how absurd British thinking is: He proposed to build that beautiful, big land-bridge with—what? With a toll bridge system! And, he proposed to finance it by putting up toll booths along the way! You know, that’s British thinking. No wonder that Great Britain is in such a wretched condition, if they have such ideas.

It is very clear, that right now, those forces, Great Britain, France, but also, you know, certain Republican networks in the United States, and other oligarchs around the world, are very, very freaking out about this development. Because this is detonating any effort to put the world under a balanced-budget regime, under Maastricht, under the IMF. And, there was actually an effort by the ASEM conference, that was the joint conference of the Association of Southeast Asian Nations (ASEAN) and European Commission in March, to impose the rule of the UN over the Eurasian land-bridge. I think they will not succeed.

Now, why is this such a hot issue? Because this idea of an integrated Eurasian land mass has been the British nightmare for more than 100 years. This is exactly what happened at the end of the last century, when France, under the leadership of Foreign Minister Gabriel Hanotaux, the German industry around George von Siemens, the Russian Count Sergei Witte, the Chinese Dr. Sun Yat-sen, and similar people, were, indeed, thinking of making use of railway and other connections to integrate this part of the world in one economic zone. And, at that time, they were building the Baghdad Railway, the Paris-Vladivostok rail system, and so forth.

And, as Lyn has already answered this morning in the response to the question of the gentleman from Bosnia, at that point, the British went bananas, because geopolitics is the evil idea that the power of the British Empire was based on the control of sea trade, and that therefore, the infrastructure connection of the land areas would threaten the control, and especially the industrial explosion going along with that, would detonate the monetarist control coming from the famous control of trade—“buy cheap, sell dear”—and that at that point, you had geopoliticians like Mackinder, Haushofer, and others, who said, that if the Eurasian land mass develops, then the Atlantic Rim countries will become irrelevant, namely, England and the United States, under Teddy Roosevelt at that time, and therefore, the entire effort must be balance of power, and at that point, they organized the Entente Cordiale, and then the Triple Entente. They organized the Russo-Japanese war, the Balkans war, and the chessboard for World War I was set.

And, obviously, World War I set back human history for quite some time. Versailles—the famous Versailles Treaty—was, among other things, supposed to prevent Eurasian development. By strangling Germany, by keeping it down forever, you would prevent the integration of Eurasia. And, that led to World War II. And then the Yalta division, which had already been discussed at Potsdam and Teheran, was supposed to divide Europe into East and West forever, to divide the world into blocs, and to prevent this kind of economic development.

Now, obviously, this is now all out the window. The borders are open, this is on the way. And, naturally, the British are completely freaked out.

British plot to break up China

More recently, a very evil person by the name of Gerald Segal from IISS, the International Institute for Strategic Studies, has written a number of articles which make clear that the British policy right now, is to split China into five or more parts. The Taiwan issue is one. Look at Jesse Helms, here, what he is doing. The Tibet issue is another one. You have a gigantic Tibet lobby in Washington, that throws around money like—you know, they have champagne parties and all kinds of things, which poor Tibetan monks for sure don’t have in Tibet. Somebody else is using this issue, using the Xianjiang Islamic population, using Hongkong. Hongkong will become part of China next year, and some people plan destabilizations by that, by bringing in Western and other influences.

So, anyway, at that conference in Beijing in May, the two China policies were put on the table. The Chinese government wants this, we want this; the Schiller Institute was very powerfully represented, and actually lauded. As a matter of fact, in all humble modesty, my speech was praised in the concluding summary as one of the best speeches there, so, there was total
praise for our intervention.

And, the British policy was also there: splitting China, keeping China down, and so forth.

Now, there is no question in my mind, that the Clinton administration—and I think, as I said, the Lyons shock probably helped to clarify matters—clearly took the side of the pro-China policy. Because National Security Adviser Anthony Lake was just in China, and both sides, the United States side and the Chinese, praised that visit as having been very successful, and opening a vision for the next century (see article, p. 39).

Now, I do not know what Mr. Lake discussed, but I can be absolutely sure that the Chinese did discuss this, because this is uppermost in their minds.

Therefore, the fact that the United States right now is becoming favorable in their relationship with China, is an extremely important strategic development, for reasons which I will discuss in a second; but let me just interject very briefly some reflections, because most of you have not been in China, therefore, I have to tell you a little bit more about my own experience.

How China has changed

I was in China not only in May, but already once 25 years ago. In 1971, as a young journalist, I spent late summer and the fall, about three months, there. And, I must tell you: When I came to Beijing this time, I had, for about three days, a real culture shock. I didn’t recognize the place. I was, at that time, in Shanghai, in Tsingtao, in Tianjiang, in Beijing, and, from there, I had made many excursions to the countryside, factories. Every morning from six a.m. to midnight, I was traveling. I wanted to see everything.

So, I had in mind how the streets looked: hundreds and thousands of bicycles, rickshaws, donkey carts, maybe one or two cars. Well, right now, you go through Beijing (and I have heard it’s the same in other cities), and you have a very good chance of ending up in a traffic jam, like at home. So, you will not be homesick because of a lack of traffic jam. You have hundreds of thousands of cars, totally packed. You still have a lot of bicycles, but you have at least as many cars.

All of Beijing is a gigantic construction site: modern hotels, modern headquarters of businesses, modern buildings, apartment buildings. Just endless construction and construction.

I went from Beijing to Tianjiang, which, 25 years ago, was a dirt hole. And now, it’s a modern highway, in much better shape than your old highways here, no holes in the ground, everything smooth, with nice direction of the traffic, and so forth. So, it’s totally changed.

I felt like a traveller in a time machine, because the gap was so different. I haven’t been there in the meantime, and I came to a conclusion that, including South Korea, including Taiwan, including other countries, there is probably right now, no country on this planet which has experienced such a development in the last 25 years.

Now, Lyn was talking this morning about the change over the last 25 years in the United States, how, from the cultural optimism of the Kennedy years, the Apollo Project, how the United States has plunged into cultural pessimism, and people are downtrodden, and not really well-focussed. The same, for sure, is the case in Europe. The same, or worse, is the case in Russia.

You know, Lyn and I were in Russia two weeks earlier, and the difference—you can not imagine! Russia is falling apart. In Moscow, you hardly see construction, maybe in the suburbs here and there, but nothing compared to Beijing, or these parts of China.

Now, in Russia, as I said, you have, after four years of reform policy, about 20 to 30% of the former industrial potential left. It’s a powderkeg as a result, while China is on the best way to becoming the leading economic power in the world.

Now, how was this possible? What is going on? I mean, I was shocked. And, I must really say, that even though I knew reports of how the economic development is going, it was a shocker for me, and I would not have had that comprehension, if I had not been there with this interval of 25 years.

The Cultural Revolution

To understand what is going on there, you have to first look at what was the Cultural Revolution. Because when I was in China in 1971, this was in the middle of it, because it lasted from ‘66 to ‘76. And, today, many intellectuals in China compare this period of ten years, to the Nazi period in Germany. Many people say that they could not understand how a beautiful country like Germany, full of rich poets, thinkers, philosophers, composers, could plunge so deeply into the Nazi pit, until the Cultural Revolution occurred in China. Because, you know, that did to the Chinese mentality and Chinese culture exactly the same thing.

Now, what happened was that after the initial construction period of Maoism and socialism, Mao and the famous Gang of Four in 1966 had given a free hand to the Red Guards, which were these young, anarchist youth, to dismantle everything. They painted all the ancient culture red, they denounced practically every political opponent of the so-called reformer camp. There were permanent waves of persecution, denunciation, public denunciations. People were tortured. There was a tremendous waste of resources. There was about ten years of a complete deficit in education, which completely collapsed for that period.

The people who opposed this Maoist wave were called “counter-revolutionary revisionists,” among them, Deng Xiaoping and many other people who later on became those who did the reforms. There was a complete cultural wasteland. The entire music in these ten years, was reduced to eight revolutionary Beijing operas, which were repeated over and over again. Nothing else was allowed.

The only books you could read, were the Thoughts of Chairman Mao. You had millions of books of Mao’s thoughts, but nothing else.
After 25 years of post-industrial devastation and cultural pessimism, the U.S. rail system is ready for the junk heap, while China's industrial optimism has set it on the road toward becoming the leading economic power in the world.

So, at that point, there was an absolute destruction of science, any intellectual development. The Gang of Four put out statements like, "The more knowledge somebody possesses, the more reactionary he becomes." They praised the stupidest people. They said, "Workers without an education are preferable." To possess foreign books, bordered on treason. So you could not have foreign books from poets or thinkers.

So, the so-called continuers, those who said we have to continue the Socialist Revolution, actually, in reality, were oligarchs, because what it led to, is not only the personality cult of Mao, but also the rule of a small clique, while the majority of the population plunged into poverty and backwardness, and hunger was gripping the majority of the country.

A tremendous waste of resources: People sent the most educated people to the countryside, "to learn from the masses," which were actually work camps. So, nothing better could fit British geopolitical aims, than what Mao Zedong did. So, in that sense, he did, indeed, serve British interests, in a very direct way.

A shift in policy

Now, the change started to occur with a famous speech by Deng Xiaoping in March 1978 at a conference on national science, where he praised the leading role of science and technology in the development of the productivity of the labor force. And, that became policy then, in December '78, at the Third Plenum of the Eleventh Central Committee meeting, and that constituted the beginning of these reforms.

Deng made another speech on Jan. 16, 1980, at a meeting of cadres about the main task for the '80s, where he identified modernization as the key for the solution of the domestic and international problems. And he said the remarkable sentence: "The role which we will play in international affairs, will be determined by the extent of our economic growth."

Now, things did not go without problems, and there were several personnel changes in the institutions, especially up to 1985. And, in the beginning of the reforms, many mistakes were made. There was a certain amount of bubble economy allowed in the free trade zones. But, after '93, the Chinese government took preliminary measures to curb speculation, to stop the liberalization of the economy, and one can say that if you compare what the official Chinese policy is today, that it is actually nearly the opposite of what it was during the Cultural Revolution.

As a result, the living standard of a large part of the population—I'm not saying, yet, the whole population—but a large part of the population, has gone up very significantly. But, equally, or maybe even more important, is the change I observed concerning the psychological condition of the people.

When I was there in '71—you have no idea: loudspeakers everywhere, revolutionary Beijing Opera beaming loud, everywhere. Propaganda, everywhere. People were afraid. People were crying. I met with some old people, especially in Shanghai, who told me their life stories, and they were actually in tears. People were really afraid, and paranoid,
very paranoid.

This has all, in a certain sense, disappeared. People are now calm, moving forward in a calm way, and there is optimism, there is a tremendous optimism. If you read the totality of all the speeches given by the governors of the different provinces at this conference, it was absolutely remarkable, how energetically and optimistically they were talking of bringing the development to their region, to their region, to their region. So, it was actually extremely joyful to see.

LaRouche's global economic reorganization plan

So, there is no question that the genie is out of the bottle. Now, the big question is: Can the Eurasian land-bridge succeed with the present world mess?

Well, I don't think so. Therefore, we need the kind of reorganization Lyn has been talking about, but I would say that from all major countries and not-so-major countries around the world, China right now is probably best-equipped of any country to deal with the present crisis, because they looked at the mess in Russia. Because of long historical ties, they are very focussed on the crisis in Russia. They do not want to experience that, for sure. They also looked very closely at the international situation. Lyn's analysis has been widely published: the collapse curve, the "financial AIDS" analysis, and so forth. They do not want to be drawn into that.

Now, what do we have to do, and what do we have to accomplish? The IMF system is hopelessly bankrupt. The only solution, is an orderly reorganization in the short term of the entire international financial system. As Lyn has been outlining, that means that the United States President must place the Federal Reserve System into receivership by the U.S. Treasury. The President then must secure emergency legislation from the Congress, which Article I of the Constitution gives the legal basis for, and establish a large issue of U.S. currency notes as a supplement to those Treasury notes which are already in circulation.

The President then must establish a National Bank, and launch an emergency national economic recovery program.

In the United States, there is no reason in the world why you can not start to do what the Chinese are doing: Pick those infrastructure programs which are absolutely vital, both new ones, like the Nawapa project, bringing down the water from Canada to those areas of the United States and Mexico which need it, and to renew old infrastructure. There is no need for most of the streets in the United States to be in such a horrible condition: New York, entire parts of New York are collapsing, when you drive along the wrong way, you can fall down any moment into these potholes, or other catastrophes.

So, the national emergency programs must be selected. And then, the necessary credit lines must be opened to start the economy. It is not much more than what Franklin D. Roosevelt did in the '40s, when he geared up the economy of the United States to enter World War II; only this time, we want the U.S. President to do this for peaceful purposes. There is no reason why you cannot gear up the economy with dirigistic measures for the well-being of the people.

Now, given the condition of the world, the U.S. reorganization must take into account the international economic situation, and therefore, we need not only the program for the United States, but we need a whole array of new, mutually advantageous, protectionist tariff and trade agreements. We have to wipe out the World Trade Organization, because they are only helping the speculators and the grain cartels, and we have to replace that with a new set of agreements benefitting all countries participating in this agreement.

There has to be stability among currencies. We have to go back to the old—or something like—the old gold-reserve arrangement, as it existed before the period '68 to '72, because only in such a climate, can you have the long-term investments and low-interest-rate-financed trade, which we need.

Now, this task of the rapid reorganization of the world financial system and trade agreements, is actually the most important issue. And, anybody who conducts political meetings, or foreign policy meetings, who does not think about that, who does not take that into account—it doesn't matter if you are in a state parliament, if you are in a national parliament: that is the primary reality of the world. The collapse is coming, the need to reorganize the system, and how to rebuild the world in time, before a catastrophe strikes. If you don't discuss that, then whatever else you discuss, is relatively irrelevant. Because if we don't do that, the world will plunge into a new dark age, of which Africa is only a foretaste of what is to come.

Now, who should do this? Obviously, without the United States, given its power position in the world right now, it can not be done. We need the United States, we need Russia, which will come to a point with the present idiocy reigning in Russia, it probably means that the collapse will force the issue on the table. And, we need China, because China is a positive factor in the equation right now.

We need such a combination, because the United States alone is not powerful enough to defeat the British Empire right now: "British Empire" meaning the control over world financial transactions, strategic raw materials, and so forth and so on; the food cartels, the UN, and the supranational institutions.

Now, the regional powers: Europe—unfortunately, they have let the historical momentum go out of their hand. I regret that deeply. You all remember '89, the jubilant opening of the Berlin Wall, where everybody said, correctly, that this was the greatest chance of Europe of this century, which it was. But, the leaders were not fit to use it.

Today, Europe is, unfortunately, nearly politically irrelevant. I'm still working to change that, and I don't give up, but right now, I don't think that the German government will do anything to spearhead any positive effort. They just don't. So, being a world citizen first, and a patriot second, I right now support this Three Power reorganization of the world.

Now, what we need, therefore, is that the United States
and at least one other big power, maybe Russia, maybe China, and preferably a large group of smaller countries, reorganize the international debt, cancel the majority of the debt of the poorest. There is no point in dragging out the debt of Bosnia, the debt of Africa, the debt of other poor places—just cancel it! Reorganize some other debt. Create national banks, issue credit lines for these well-defined infrastructure programs along the Eurasian land-bridge, the U.S. reconstruction program, an Africa infrastructure program, Latin American development program, Eurasian-based global reconstruction program.

Now, it’s easy. It could be done tomorrow, and it may be tomorrow, because the system may collapse tomorrow. So, I’m not talking about some far distant plans. But, one thing I can say for sure, is that this can not be discussed with traditional methods of diplomatic negotiations, because if you only talk about intellectual property rights and other stupid issues, you will get into clashes, and discontent is certain.

This can only be solved, if all the nations participating do that because they are directed to a common higher task, a common interest of mankind uniting us all.

The Confucian tradition today

Now, what is common among you and the Chinese, among me and the Russians, among the Africans and the Latin Americans? We all are gifted with creative reason, with the capability to form adequate hypotheses about the laws of the universe, leading to progress in the knowledge of mankind about these laws of the universe.

Even if Russia or China never were a true nation-state, in the sense that America was constituted through the American Revolution, nevertheless, both in Russia, and in China, there are forces—even though in Russia, they are not in power right now—which express a very strong desire for the kind of political and economic reforms which necessarily lead to the sovereign nation-state. In Russia, the experience of the Schachtian economics of the collapse of the last four years, has catapulted that. It’s not dominant right now, but they’re there. In China: Sometimes, looking at the abyss—and the Cultural Revolution was the abyss—helps you to understand that you have to reverse course.

Now, in China, obviously, communism is still there. But, I don’t think that that’s the whole story. As a matter of fact, the most fascinating thing about China is that, when you talk to people there, you immediately notice that people do have an identity as one of the cultures representing one of the greatest of human civilization. They have a culture which is 4,000, 5,000 years old. They have contributed many inventions, long before they appeared in Europe: gunpowder, book printing, many other things.

So, there is the tradition of Confucianism, Confucianism which underwent many transformations. We had the neo-Confucianism, especially in the twelfth century, in the Song Dynasty. And you have today what I would call a “new Confucianism.” I haven’t found a better word for it, but it is clearly in this tradition.

Now, what is Confucianism all about? It’s a moral teaching, and defines the highest task to bring society into cohesion with some form of natural law. It teaches that there must be a correspondence between the heavenly laws and moral laws.
for mankind. So, for millennia, this was the foundation of culture in China, and the history of the twentieth century, and especially the history of communism, of the last less than 50 years, is really only a minuscule part, while 5,000 years are quite different, and especially the last 2,500 years have been characterized more by Confucian ideas.

One notion which is extremely important is the notion of *li*, which can be described as the need to develop your best potential, *each* of you. This actually represents the precondition for the ordering of any social cosmos. It’s the expression of a cultured humanity. So, only if you do what you are supposed to do, are you in correspondence with *li*.

It’s the same idea that Nicolaus of Cusa calls “the concordance in the macrocosm, is only possible through the maximum development of all microcosms.” And, it’s very interesting that one of the governors at this conference said that “the land-bridge will function like a cantata of nations,” which I think is a very beautiful idea: like a beautiful song, to which each nation contributes.

Now, another very important notion is the notion of *ren*, which is a moral quality meaning love for man, and both *ren* and *li* mean that you have to be concerned about the common good. Now, for Confucian thinking, morality and power must represent a unity. Therefore, what Confucian thinking lends itself to, is what corresponds to the American idea that the world must be organized in a community of principle of sovereign nation-states.

**The role of the nation-state**

Now, why is the nation-state so important? And, I really want to say this. Today, in Europe, there is hardly anybody who understands this. And, given the fact that in Lyons, there was just an attempt to establish a world dictatorship, eliminating the sovereignty of nations, let me restate why the sovereignty of the nation-state is so important, if mankind is supposed to come out of this mess.

The nation-state, as it was developed in the fifteenth century, is the only form of government where the freedom of the individual is guaranteed. Because, if you have a supranational institution like the United Nations, the IMF, the World Bank, the WTO, well, you can forget about voting, because your fate will be decided by bureaucrats who are not accountable for their deeds to anybody.

The nation-state is the only form in which you have a representative system, where the elected representatives have a reciprocal legal relationship to both the government, and those who are governed. And they must, on the one side, help to develop the state to the maximum good, but they must also guarantee the maximum development of all individuals.

So, this actually also is the only way you can have account-
ability, because people have to be re-elected. They have to prove to the people that they serve the common good, or else they will be voted out, and they must be devoted to the common good.

Now, one extremely important notion in the nation-state, everywhere around the world—and I stressed this a lot in China in particular, and also in Russia, for that matter—is the need for universal education. Because the only way we are going to end this miserable condition of mankind, is if actually everybody has access to the entire knowledge of mankind, that you have not every footnote, not every stupid, tertiary book, but, the essential knowledge of mankind, up to the present day—every child, and adult, for that matter, must have access to it.

Now, in China, there is a notion which is called daxue, which means “great learning.” It’s also a Confucian idea, and it’s the idea that continuous learning should occur throughout your whole life. In other words, you do not stop learning after you get out of school, but you try to improve your knowledge throughout your whole life. And, right now, there is, worldwide, probably no society which is more focussed on the idea of continuous learning, than the Chinese. And, needless to say, that represents a nearly ideal condition for the absorption of Western science and technology, because people do want to improve throughout their whole life.

Therefore, the idea of bringing development to the underdeveloped regions through infrastructure and high technology, obviously requires universal education of the pupils in these areas. I was most fascinated to find people in China, who have not only a vision of how to get into the twenty-first century, but who also have some thoughts about what are the wrong axioms. Why is the United States going down? Why is Russia going down? Why is Europe going down?

One explanation, which I thought was very intriguing, is that they said that the problem is that, in the last 200 years, Eastern culture has not progressed. And, therefore, in these same 200 years, Western culture has spread throughout the globe. The only problem is, that this Western culture is naked materialism, empiricism, and therefore, they say, that the biggest catastrophe which could happen to human civilization, is if that Western value—personal greed, personal materialism, personal desire for profit—would spread all over the planet. And, therefore, they recognize the need to go back to more profound values, and, come to a dialogue in which we do not discuss Hollywood, but we discuss Plato, we discuss Leibniz, we discuss Schiller, we discuss Beethoven, and say, this is the level on which we want to bring in our identity. And they bring in Confucius. And I can assure you, between Plato, Schiller, and Confucius, and Leibniz, there is no disagreement. You can have the most beautiful discussion, and common understanding.

Therefore, I think you should be optimistic. Because I personally think that if we do our job right in the United States, a new Renaissance is much closer than you think.