
Documentation

International reactions: LaRouche was right!

Russia

Prof. Taras Muranivsky, “Forecasts Begin to Come True; the World Financial Crisis,” *Pravda-Pyat*, Oct. 30:

Pravda-Pyat, a widely read opposition daily, gives a detailed analysis of the international financial turmoil, up through Oct. 24, with extensive reference to Lyndon LaRouche’s uniquely competent insight into how the \$100 trillion financial derivatives bubble functions. An introductory note refers to Professor Muranivsky’s Aug. 20 article, “The World Financial ‘Pyramid’ May Collapse in an Instant,” which also presented LaRouche’s analysis of the derivatives markets.

After detailing recent events on international markets, Muranivsky zeroes in on the Asian front of the crisis: “Many people consider that the main reason for the collapse of stock and securities prices and ‘Black Thursday,’ were the actions of currency speculators. Prime Minister Mahathir Mohamad of Malaysia discussed this, in particular, in his now-famous speech [at the September IMF meeting in Hongkong]. He views the problem in a broad setting, linking currency speculation with the looting of Southeast Asian countries by the policy of Western countries. The myth of the ‘economic miracle’ of the Asian ‘tigers’ serves merely as a propagandistic cover for this policy.” The currency crisis in Southeast Asia was maturing over a period of years, as Muranivsky elaborates.

Muranivsky cites LaRouche for his unique expertise on “the fundamental reasons for ‘Black Thursday,’ and the looming world financial crisis associated with it.” In an interview, just a week before the crisis, LaRouche explained that the collapses in Southeast Asia and Japan would destroy the financial system in Europe and the U.S.—“Such is the result of globalization.”

“Moreover, LaRouche sees the looming crisis as a phenomenon with many factors. A leading role is played by the \$100 trillion sum of the world derivatives ‘bubble’ . . . This volume exceeds the value of the world’s total industrial output.”

Resistance to the tyranny of these speculative activities is growing, Muranivsky demonstrates, with the tour of Premier Mahathir through South America. There is an awareness that free trade “is far from perfect.”

The *Pravda-Pyat* article also notes the nearly frantic, and contradictory, attempts by Russian media to put a gloss on the unfolding financial crisis. *Kommersant-daily* of Oct. 24 headlined, “Crisis of the World Economy,” while *Nezavisimaya Gazeta* the next day averred that “experts consider that the fluctuations in share prices are chiefly a speculative game. It has become clear, that it is simply stupid to talk about a world crisis.”

Germany

ZDF TV, Oct. 28:

LaRouche’s program made it into the 5:00 p.m. national TV news—a virtually unheard-of development in Germany. A ZDF camera team filmed a demonstration by the Citizens Movement Solidarity (a party of which Helga Zepp LaRouche is the candidate for chancellor), in front of the main banks in Düsseldorf, including picket signs on Lyndon LaRouche’s call for a New Bretton Woods system and the Eurasian Land-Bridge. A journalist asked one of the demonstrators, “What do you have to say about the stock market crash, and does each and every person have to be afraid of it, personally?” The demonstrator answered, “Yes, one has to fear it, but only if program for the Eurasian Land-bridge and the New Bretton Woods, where the present meeting between Clinton and Jiang Zemin plays a crucial role, is not implemented. Then, we would enter a new Dark Age.”

Mexico

José Neme Salum, “Systemic Crisis: Globalizing Dementia,” *Excelsior*, Mexico City, Oct. 28:

Neme Salum begins by asking his readers if they got suckered into believing the strategists of globalization, that another crash like that of October 1987 could never happen. “Do you want to be the next suicide victim?” he then asks, as he elaborates on the unsalvageability of the international monetary system.

He goes on to point out that the antidote to this dementia has long been made available by Lyndon LaRouche and his associates, and that his own column interviewed *EIR*’s Richard Freeman in August 1994, shortly after the release of LaRouche’s Ninth Forecast, on how the entire international monetary order was rotten to the core, and needed to be changed. Neme Salum quotes at length from LaRouche’s comments on Black Monday 1997, including his comparison of the current banking system to a man who argues that his head won’t fall off, as long as he doesn’t sneeze or nod. LaRouche’s scientific approach to political economy is reviewed, extending from Classical Greece and the Renaissance, through Leibniz, Colbert, Carnot, List, Hamilton, and the Careys, and this is contrasted to the perverse ideology of the Persians, Diocletian, Venice, the British, and the Nazis.

Neme asks: “Which side are you on? Which side do you

want Mexico on? Where do you want humanity to be? Are you a neoliberal? If so, then you are a neo-Persian, a neo-Diocletian, a neo-Venetian, a neo-Britisher, a neo-Nazi, a neo-Salinista. That is your heritage!”

The author points to those, like the governor of Mexico’s Aguascalientes state, who attacks LaRouche and says that he shouldn’t get press coverage. The question, says Neme, is not LaRouche per se, but rather a battle of ideas, between those who believe man is made in the image of God, and those who believe man is but a superior form of animal. He calls on his readers to draw on their capacity to reason, to dedicate themselves to study the ideas of LaRouche, so that they come up on the right side of the battle. He concludes with a quote from LaRouche: “We are not talking about placing bets on the stock exchange, Or where to hide the money until the financial storm is over. We are talking about how to safeguard the very existence of civilization today.”

Julio Zamora Batiz, “Stock Market Crisis . . . Crisis of Globalization?” *El Nacional*, Mexico City, Oct. 28:

Julio Zamora Batiz, the head of the economics commission of the National Political Council of Mexico’s ruling PRI party, warns in a commentary op-ed of the imminence of a global crash, of devastating worldwide implications.

Zamora Batiz begins by quoting from a “dangerous agitator” at the September Hongkong meeting of the International Monetary Fund and World Bank, who warned that the unregulated globalization of the world’s financial markets could lead to a crash. This “agitator” was George Soros, who, Zamora notes, was simultaneously being attacked by Malaysian Prime Minister Dr. Mahathir Mohamad as the source of attacks on the Malaysian and Thai economies.

Zamora Batiz details the Asian crisis, and the dramatic instability of the world financial system, due to speculation and to dependency on derivatives gambling. He reports: “Just a few weeks ago, Lyndon LaRouche presented in Guadalajara and in Mexico City, his idea that the world stock market crisis was about to occur, and criticized the speculation against the Asian economies. His forecast was correct; I only hope that LaRouche was not right about the other forecast he made in the same presentation: that the derivatives market will explode because of lack of sufficient liquidity to keep it afloat. . . . Curiously, the ideas of LaRouche and those of Soros—who fiercely battle each other—agree that the current monetary system does not respond to the needs of nations.”

Zamora Batiz concludes by calling for a New Bretton Woods Conference: “The situation we are living through shows that it is urgent to thoroughly revise Keynes’s scheme, adopted at Bretton Woods and which founded the IMF. It seems that LaRouche has been right about that as well, since he has been saying as much for some time.”

Peru

Patricio Ricketts, “Crash!” *Expreso*, Oct. 29:

Ricketts reports the truth that no other Peruvian newspaper has dared to touch: “The power of all powers,” the international financial and monetary system, “has just been ripped to bits. Disintegration has begun.” Those who talk of an “Asian flu,” or “dragon effect,” are playing the kind of word-games which “invented the ‘tequila effect’ . . . It is the system which is cracking. The world system, sick with speculation.”

“No one can say that this Terrible Autumn was not forecast with astonishing precision,” he writes. “The ultra-polemical American economist Lyndon LaRouche has been announcing it insistingly, since 1994 and before. ‘The current world monetary system,’ he wrote at that time, ‘will disintegrate in the short term. Its disintegration is inevitable, because it can only be stopped by a decision, politically unlikely, of various important governments, to put the financial and monetary institutions through bankruptcy reorganization.’ ”

Ricketts continues: “Not a few events and other voices gave ever greater credibility to the bold forecast, and demonstrated that the unraveling was nigh. . . .” The financial system threw itself pell-mell into derivatives; “while some fell, others—Soros, among them—rose like rockets. The victims were first banks and counties, like California’s Orange coun-

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try. Then countries: Mexico, Malaysia, Thailand, and other 'tigers.' And now, triggered by Hong Kong, to Wall Street itself, and all the stock markets of the world."

"The prime minister of Malaysia, Mahathir bin Mohamed, noted some days ago in the *Wall Street Journal*, that world currency trading is 20 times the value of trade in goods and services, which is unrelated to it.

"Now the crash of the virtual financial system appears to require real remedies. Will they be prescribed? Or will they insist on placebos?" he concludes.

Brazil

Vitor Grunewaldt, "The Unsinkable Titanic," *Novo Hamburgo*, Rio Grande do Sul, Oct. 30:

Grunewaldt is the director of the Ibero-American Solidarity Movement (MSIA) in Brazil. A total of five articles by MSIA spokesmen, reporting that LaRouche knows why the world financial crisis is occurring, and what to do about it, have been published in October, in various newspapers circulating in this state, one of the most important, politically and economically, of Brazil.

NH is published in the city of Novo Hamburgo, and circulates primarily in the formerly prosperous Rio dos Sinos valley, part of the metropolitan area of the state's capital, Porto

Alegre, and the original center of German immigration to Brazil. The shoe industry which had dominated the area for years, was largely bankrupted over the last two years, by the government's free trade policy of allowing in cheap imports.

The article opens:

"Let the reader imagine that, when the *Titanic* is sinking, two passengers standing on the deck say to each other: 'Let's not worry. It's only the bow that's sinking. Its a regional problem, which doesn't affect us.'

"This is more or less what the politicians and the stupefied analysts are saying, who from this side of the world, assure us that the Asian monetary crisis and the stock market crashes are 'a regional problem which does not affect us.' And there are also those who claim that the Asian crisis will benefit one or another Ibero-American country, because, supposedly, the capital which flees Asia, will come here. (As if it were very beneficial when the speculative capital which sowed chaos in one region, does the same in another!)

"Leaving aside the specifics, the self-delusions, and the frauds, the fact is that the entire *Titanic* is sinking. The international financial and monetary system, in its totality, is bankrupt, and what we are seeing is its irredeemable disintegration. The stock market crash is nothing more than a symptom of a much deeper, generalized crisis, which is heading towards an implosion of the whole system, exactly as Lyndon LaRouche, the economist who forecast the October 1987 crash, as also the recent weeks' shocks, explained dozens of times."

The article reviews Swiss National Bank director Bruno Gehrig's warnings of a systemic crisis (see *EIR*, Oct. 24), and the danger of chain-reaction collapse, resulting from the fact that derivatives and currency trading are totally divorced from the real economy. "But the detonator of a crisis, is not its cause." It is the international economic policies of globalization and free trade that caused the crisis, and "what is sinking is not only this bankrupt system, but also the premises upon which it was based."

"Much sooner than many imagine, this system will no longer exist. The big question is how it will be replaced, and by what. The financial oligarchy has its plan, an overt fascist program of destruction of sovereign nation-states, depopulating and handing over entire regions to the cartels of the British Commonwealth and their allies, reducing billions of people to the condition of slaves (made 'happy,' perhaps, through generalized drug use), etc. . . .

"The restructuring of the financial system is critical to reverse these dark expectations," the article concludes, reporting on LaRouche's New Bretton Woods initiative, the "Open Letter to President Bill Clinton to Convoke a new Bretton Woods Conference," and the MSIA's Bill to Reactivate the National Economy.

A similar article ran in Porto Alegre's *Jornal do Comercio* on Oct. 31, under the title, "The Beginning of the End."

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