

LaRouche at China Forum Changes World History

by Harley Schlanger

“We are winning,” is the concise summary offered by Lyndon LaRouche, in response to developments following his participation at a major conference on U.S.-China relations, which took place in Los Angeles on Nov. 23-24. LaRouche was a featured speaker at the press conference which opened the meeting on Nov. 23, and then, the keynote speaker at the luncheon the following day (see below for both speeches).

The weekend conference, titled “Forum on U.S.-China Relationship and Peaceful Reunification of China” brought together scholars, journalists, and activists from the People’s Republic of China, Taiwan, and the United States, and included prominent participation by representatives of the Chinese Consulate in Los Angeles. Sponsored by several organizations, including the Institute of Sino Strategic Studies, it was preceded a week earlier by a similar event in Maryland, which was also addressed by LaRouche (see “LaRouche: A New Pacific Relationship Emerges,” this issue).

LaRouche’s summary referred to the prominent coverage in the Chinese press of his remarks at the press conference, and articles on his keynote, which were featured in the leading press of China, including the news service Xinhua, *People’s Daily* and *China Daily* (see below). This reporting zeroed in on his most important comments, which included his analysis of the present collapse of the global financial system, and the urgency of joint U.S.-China action to solve the problem, through adopting fixed exchange rates, as a first step toward creating a Franklin Roosevelt-style New Bretton Woods monetary system.

The coverage represents an acknowledgment that leading circles in China recognize that the financial system is now in a terminal stage of disintegration, and that they are open to exploring cooperation with responsible elements in the United States. LaRouche’s role, as a senior “wise man,” acting on behalf of the true national interests of the United States, in an alliance of principle with China, stands in sharp contrast to the belligerent demands of the financial interests of the City of London and Wall Street, trumpeted by their puppets in the

Bush-Cheney Administration and among key Democrats, that China engage in self-destruction, by accommodating to the anti-industrial, Malthusian policies of so-called globalization.

‘This System Is Gone’

It was LaRouche’s insistence that “this system is gone,” which he stated emphatically in a webcast on July 25 (excerpted in this section), that triggered a renewed interest among relevant figures in China, in his proposed solutions to the breakdown of the global financial system. His authority as an economist has been established through his accurate forecasting for more than 50 years.

However, bankers, brokers, government officials, and most financial commentators in the United States and Western Europe have been engaged in hysterical denial that the “post-Bretton Woods Era” has entered its last days. For policy-makers in China, such a denial is not an option, especially as China has become increasingly dependent on the United States, both as a holder of large amounts of dollars and dollar-denominated financial instruments—which are rapidly depreciating in value—and as an exporter to the U.S.A., which is the largest market for goods produced in China. A rupture with the United States, leading to a dumping of the dollar, is clearly not in the best interests of China.

Following his July 25 webcast warning, that the system has already collapsed, LaRouche was interviewed on Aug. 16, by a Chinese reporter, who asked him to clarify his forecast, and to discuss his proposal for cooperation among the United States, China, Russia, and India, to establish a new monetary system (see “LaRouche Talks With Chinese: It’s Time for Solutions,” *EIR*, Sept. 7, 2007, and excerpted below).

From the time of that interview in mid-August until the conferences these last two weekends, official denials that the system is finished have lost all credibility. LaRouche’s analysis of the breakdown has been confirmed, in full, leading to the next, obvious question: What option exists, besides chaos?



EIRNS/William Salisbury

Lyndon LaRouche addresses the conference in Los Angeles on U.S.-China relations Nov. 24. Leading circles in China now recognize that LaRouche has been right: The global financial system is finished.

U.S.-China Interdependence

In his opening remarks at the press conference, LaRouche went right to the heart of this issue, pointing out that the interdependence between the United States and China—viewed by many in both countries as a negative reason for cooperation—i.e., that the collapse in the value of its dollar reserves is the price China must pay for membership in the club of “globalization”—can, and must, be turned into a positive.

China, LaRouche said, “needs to invest in capital improvements, over many generations to come. . . . Much of this will depend upon China’s investment in U.S. dollars, either to buy U.S. goods, which is good for the U.S. economy, or to buy goods from other countries, using U.S. dollars to buy those goods. This means infrastructure investment that would benefit the Chinese people as a whole. It is also in our national interest to defend our dollar.

“So this creates a great bond of common interest between China and the U.S.” After challenging members of the U.S. Congress to reverse “some very silly antipathy toward China,” he concluded by saying that, in this way, “the crisis of the U.S. dollar can be solved. It will require important, sweeping, deep changes in current U.S. policy, but these measures are possible. They are feasible, they will work.”

This optimism, based on a coherent plan for addressing the global breakdown crisis, combined with the strong and clear message that present U.S. policy must change, drew a lively response from participants in the conference. His keynote, which expanded significantly on this theme of positive

interdependence, elicited serious questions. One question came from an individual who prefaced his comments by saying that he has admired LaRouche very much, for a long time. “Is there any force in the world that can stop this process” of breakdown? he asked.

In response, LaRouche reiterated his main theme: “The great asset that the United States has,” he said, “is China: because China has become the leading trade partner for the United States, and the ability to maintain the economy of China, is to get the economy of the U.S. to fix its value, and to get back to increasing exports into China.”

After developing how the U.S. and China could negotiate a treaty to establish a fixed exchange rate between the yuan and the dollar, LaRouche added that “every leading economy in the world will have to join” that fixed-exchange-rate-system. Thus, the future of the world economy depends on the change in relations between the two nations.

He concluded his answer with a quip that brought great laughter and applause: “Therefore, these two nations need each other. They are prisoners locked as in a marriage that cannot be broken. And they have to legalize the marriage.”

How To Change the United States

The second question after the luncheon took up the other concern of most conference participants. While most expressed confidence that China would do what is necessary for the good of its people, to create a better future, there was pessimism about the political situation in the U.S.A. A participant from San Francisco asked LaRouche what must be done to get the U.S. government, or either political party, to adopt his policy.

The power to make this change lies with the people, he said. They have been kept from participating in their future. “Now, they’re losing their housing, they’re losing their employment, they’re losing everything. . . . They want an answer! We can provide answers, and I find that our going directly to the people on the state level, and the county level . . . you get a response there, you don’t get in the Congress. . . .”

What we must communicate, he said, is that “we’re on the verge of the greatest change in modern history, either for the worst, or for the better. And what we do in organizing the base of the population is going to determine that.”

By the end of the conference, it was clear to all participants that, not only was LaRouche’s analysis of the economy right, but he was offering the only viable alternative. As word spread among participants that his luncheon address was covered in a straightforward fashion by the leading press outlets in Mainland China, there was a growing appreciative buzz, summed up by one of the conference organizers, who said, “We made history here this weekend.”