

CHINA IMPLEMENTS THE REAL AMERICAN SYSTEM

## Mankind's Future Lies with The BRICS' New Silk Road

by Helga Zepp-LaRouche

*The following is the foreword to the forthcoming German-language book on the Schiller Institute's 30th anniversary conference held last October in Frankfurt, Germany.*

Jan. 2—Europe is at a crossroads as 2015 begins. The nations of continental Europe could continue to submit to the Anglo-American confrontation against Russia and China, and are then likely drawn into a global thermonuclear war, which could mean the end of the human race. Or Germany, France, Italy, and the other European countries could reflect on their existential self-interest and take up Chinese President Xi Jinping's offer to President Obama at the November 2014 APEC summit, that the United States and other major countries join with the BRICS countries in building a new economic and financial system, which the latter states have already initiated with such cooperative projects as the New Silk Road and the Maritime Silk Road. Such a positive step on the part of the European nations would be the best way to strengthen the existing current in the United States that favors such cooperation with the BRICS countries.

At least since the outbreak of the Ukraine crisis, a growing number of people recognize how fragile world peace has become. But despite occasional articles expressing concern about the lack of a diplomatic code of behavior for crisis management, such as existed between the then-superpowers even during the height of

the Cold War—the Cuban Missile Crisis—today, honest discussion about the strategic situation is sorely lacking. It is occurring neither in the media nor within the political establishment in a form commensurate with the seriousness of the situation.

### **Danger of War**

Russian President Vladimir Putin, at the end of 2014, presented the updated edition of Russia's 2010 military doctrine. Moscow reserves the right to use nuclear weapons, he said, to avert an attack on Russia or its allies by nuclear weapons or other weapons of mass destruction. He described the main threats to Russia as NATO's eastward expansion and its first strike doctrine, as expressed in the concept of "Prompt Global Strike"—encompassing the U.S. global missile defense system; the deployment of American nuclear weapons in space; terrorism; as well as the activities of organizations and individuals intended to undermine Russia's sovereignty, unity, and territorial integrity. Various forms of irregular warfare are also included, such as "color revolutions," and economic and financial sanctions that aim at regime change; these have been identified previously by the leadership of the Russian military as new forms of warfare.

To avert military conflict, Russia wants to cooperate more actively with its partners, including the BRICS countries (Brazil, Russia, India, China, South Africa), the Collective Security Treaty Organization (CSTO),

the Commonwealth of Independent States (CIS), the Organization for Security and Cooperation in Europe (OSCE), and the Shanghai Cooperation Organization (SCO). The clear implication is that, in case of a military confrontation with Russia, NATO would be dealing not just with one country, but with a thermonuclear third world war.

Theodore Postol, a professor of science, technology, and international security at the Massachusetts Institute of Technology (MIT), wrote an article in the influential U.S. magazine [The Nation](#) on Dec. 10, 2014, titled “How the Obama Administration Learned To Stop Worrying and Love the Bomb,” which should be required reading for everyone who wants to understand the strategic situation. The author comments on the \$1 trillion program to modernize U.S. nuclear weapons, which could only be understood by Russian military analysts as demonstrating the U.S. intention to fight and win a nuclear war against Russia. Postol concludes that this armament program is a reckless policy that threatens to lead to a nuclear disaster.

In addition to such factors as the possibility of accidental nuclear strikes, the erosion of discipline among those responsible for managing nuclear weapons, false alerts by early warning systems, and extremely reduced reaction times, Postol points out the “profoundly different nature” between conventional and nuclear weapons. It is a dangerous illusion, he writes, to think that it might be possible to totally eliminate the enemy’s second-strike capability: “In a world that is fundamentally unpredictable, the pursuit of an unchallenged capacity to fight and win a nuclear war is a dangerous folly.”

It is also clear that the full spectrum of U.S. and NATO policies—from the eastward expansion to color revolutions and nuclear weapon modernization programs—actually began immediately after the collapse of the Soviet Union, well before the outbreak of the Ukraine crisis. President Putin had it right when, in his annual address to both houses of the Federal Assembly on Dec. 4, he said that if the Ukraine crisis had not occurred, the West would have found another reason for confrontation.

### **Geopolitics and the Financial Crisis**

The risk of an out-of-control military confrontation with Russia will increase dramatically in 2015, as the crisis of the trans-Atlantic financial system comes to a

head. One need only look at the axiomatics of geopolitics, which already led to two world wars in the 20th Century. This danger of war ultimately results from the same imperial thinking that was responsible for the policy of regime change through color revolutions and the eastward expansion of NATO and the EU. If the trans-Atlantic sector threatens to economically collapse and Asia continues to grow, this geopolitical impulse increases the likelihood of war.

U.S. Chief of the Joint Chiefs of Staff Gen. Martin Dempsey has repeatedly warned in this context that the United States must not fall into the so-called “Thucydides Trap”: that America and the West overall should not see the rise of China as a military threat, as ancient Athens saw the rise of Sparta, thus leading to the Peloponnesian War, and thus ultimately to the downfall of Greece.

The trans-Atlantic financial system will be exposed to systemic shocks in the first weeks and months of 2015. The failure of the Troika’s Brüning-style austerity policy, especially in Southern Europe, dramatically places on the agenda the crisis of the euro and possibly its end. American analysts such as George Friedman of [Stratfor](#) consider the European economic and financial crisis to be the most dangerous threat in 2015—more so than a possible conflict with Russia.

At the same time, the extremely low oil price, resulting from the combination of the “successful” fracking of shale gas and oil, and a price war against Russia, is threatening to boomerang against Wall Street and the City of London. If the oil price remains at \$60 per barrel or falls even lower, companies that have invested in shale gas production will find themselves sitting on several trillion dollars of debt, leveraged to a factor of 20, calculated on an oil price of \$80-120 per barrel. Thus the subprime mortgage crisis of 2007, which was the prelude to the systemic crisis triggered by the collapse of Lehman Brothers in September 2008, is being repeated. Given that there has been no meaningful reregulation of the banking sector since then, and that some of the too-big-to-fail banks are more than 40% bigger today than they were in 2008 (Bank of America, for example, has an 85% higher derivative exposure), it won’t take long before the really big crash occurs.

In the face of this hair-raising situation, there is only one question: Is there an alternative, a solution that can protect humanity from otherwise certain disaster?



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*Helga Zepp-LaRouche with Col. Bao Shixiu in Beijing, September 2014. Colonel Bao is a Professor of Military Affairs at the Academy of Military Sciences, People's Liberation Army. Zepp-LaRouche, known as "the Silk Road Lady," has been working with Chinese influentials for two decades to achieve the breakthroughs that are now occurring.*

## **There Is a Way Out**

The answer lies in the above-mentioned offer by President Xi Jinping to the United States and other major nations, namely the construction of the New Silk Road, the Maritime Silk Road, the associated new financial institutions such as the Asian Infrastructure Investment Bank (AIIB), the New Development Bank (NDB), and the New Silk Road Development Fund, as well as cooperation generally with the BRICS countries. The Chinese offer explicitly abandons the geometry of geopolitics, because it is open to all nations that want to cooperate. It is a "win-win strategy," with advantages for all participants, as they work together for the higher common interest.

Since the Chinese government placed its New Silk Road ("One Belt/One Road") on the agenda in September 2013, and especially since the July 2014 summit of the BRICS countries in Fortaleza, Brazil, and the sub-

sequent summit of the heads of state of the BRICS and Latin American countries, a new, parallel world economic and financial order has been developing at a rapid pace. A tremendous number of joint infrastructure and development projects have begun, or are in preparation, with cooperation in high-tech areas such as nuclear power and space exploration. The new banks have demonstratively rejected the principles of the trans-Atlantic casino economy and are explicitly aimed only at financing the real economy.

The fascinating thing is that China, India, and many other states are now applying the economic principles that were once characteristic of the United States, Germany, France, and Italy. They are focusing on creating a knowledge-based economy, giving the greatest attention to the best possible education of the younger generation, and emphasizing production methods with high energy-flux density and advanced technologies, which has already generated boundless optimism for the potential of the future.

China, for example, is developing a credit system that is largely based upon the principles of Alexander Hamilton, the first Secretary of the Treasury of the United States. That means that China is building its breathtakingly successful economic model on the American System, a conception aligned to the real physical economy, while the U.S. and Europe continue under the thumb of the British system, a monetarist bankers' dictatorship.

It was originally the German-American economist Friedrich List who elaborated the fundamental contradiction between the American and British systems, during his stay in America from 1825 to 1834. This economic scientific method was further developed by Lyndon LaRouche, and now takes the form of his Four Fundamental Laws [see *Feature* in this issue—ed.], available as a template at the moment the United States should decide to take up President Xi Jinping's offer.

## **A New Paradigm for the Future**

This new orientation of the BRICS countries, which have been joined by many countries in Latin America, Asia, and Africa, thus representing more than half of

humanity, means overcoming geopolitics and establishing a new paradigm that defines the common aims of mankind. It is, as Indian Prime Minister Narendra Modi said, the first time that an alliance has arisen of nations that are not defined by their current capacities, but by their potential for the future. This new dynamic is also proof that true and important ideas can ultimately prevail.

The proposal for a New Silk Road is in principle identical to the one that the Schiller Institute put forward, with the idea of the Eurasian Land-Bridge, after the collapse of the Soviet Union in 1991, and promoted with many conferences, seminars, and publications. What was then conceived by us as an economic and cultural basis for a peace order for the 21st Century was initially only a programmatic idea, but is now a practical reality and perspective for a dynamic alliance of states that have set out consciously to initiate the next stage in the evolution of mankind. This is clear with respect to the Chinese space program and its perspective of taking advantage, soon, of helium-3 from the Moon, for a future fusion economy on Earth. And of course, the Sino-Indian-Russian cooperation in space is an integral part of this next phase of the development of mankind.

In view of the existential dangers that threaten humanity today, one thing is certain: We must make the leap to overcome the purported interests of geopolitics, and to unite around the higher vantage point which all astronauts, cosmonauts, and taikonauts have expressed. With the perspective of astronauts viewing the Earth from space, it is in fact possible to regard humanity as a unity, which lives on a tiny planet in a very large Solar System, which is part of a much larger galaxy, among billions of galaxies.

This teaches us to recognize the common threats to and goals of humanity, and to be guided by a principle which was called the “extraterrestrial imperative” by the great German-American scientist Krafft Ehrlicke. By this he meant both that human spaceflight is the natural next phase in the evolution of mankind, and that man becomes “civilized” because he can only survive in space when he respects the universal laws of science, because obviously, out there, any form of irrationality or hedonism would result in his downfall.

In order to put this idea of a new paradigm for the development of universal history on the agenda, as it has been applied to the idea of the New Silk Road as a way to a World Land-Bridge and other common aims of

mankind, the Schiller Institute has organized, since November 2012, a total of eight international conferences in Germany and the United States, as well as a series of seminars and concerts. The idea is first, to build new international relationships for the realization of the new paradigm, and second, to make known to a wider audience the existence of the alternative represented by cooperation with the BRICS countries. This purpose is served also by this Special Report, as well as the [petition](#) being circulated worldwide and getting more and more signatures. You are cordially invited to sign this petition and circulate it further.

This initiative is supported by the idea that mankind is the only known species that is creative, and thus capable, in the sense of Nicholas of Cusa, of finding a way out of even the most dangerous and complex situation, from a higher level. It is also based on the assumption of Gottfried Leibniz that the universe is created in such a way that a great evil has the potential to produce an even greater good, and the idea of Vladimir Vernadsky that the noösphere, i.e., the effect of human reason in the universe, increases perpetually.

*Translated from German*