



Schiller Institute

Panel participants. Clockwise from upper left: Dennis Speed, Dennis Small, Dr. Natalia Vitrenko, Marcelo Muñoz, Hassan Daud Butt, Michele Geraci. At bottom is Dr. Björn Peters.

## Panel 3: First Discussion Session

*The following is an edited transcript of the first of two discussion sessions during Panel 3 of the Schiller Institute conference on September 6.*

*The panelists were first asked by the Moderator, Dennis Speed, if they had any questions or observations to make about the presentations they had just heard, before taking questions from the audience.*

**Helga Zepp-LaRouche:** I think the potential in the New Silk Road/World Land-Bridge conception is really the most important issue. It's the one vehicle that can overcome all the problems we have addressed. It's a basis for peace, it's a basis to overcome this pandemic and future pandemics. I think it is one of the most important tasks the Schiller Institute has set itself—to oppose these many wrong narratives. I want to thank all the panelists who spoke and hear what you have to say.

**Dr. Marcelo Muñoz:** I, along with, I'm sure, all of

the speakers, would like to thank the Schiller Institute for this conference, because this is truly a conference which is not only international. We are meeting today as citizens and representatives of all five continents of the five major powers, and we are taking up issues of great significance and importance. We are also taking up issues with very different points of view, very distinct points of view, sometimes contradictory points of view. I agree with some of the speakers, and I disagree with other speakers, but this is part of the global dialogue which is required.

I believe that this is the global spirit which is required for the 21st century, to debate out ideas without dogmatism and with a wide openness to new concepts. I believe the breadth of criteria and the way things have been approached here is exactly the paradigm of how this kind of a global dialogue must be carried out in the 21st century, to find urgent solutions to the urgent problems we're facing today.

I always like to present myself as a global citizen, and in fact, I sign my articles in that way, because even though we don't yet realize this, we are in fact all global citizens. I have, over my 42 years of activity, living with China, and living so intensely, learned from China to look at the world not from the standpoint of each culture, not from the standpoint of each village, of each situation, but from a breadth of view which is required when taking up these global issues. That is the path that has to be taken, that is the only way to reach a solution. Without hate, without resentment, without the idea of confrontation. We actually have to have what is properly called a dialogue of cultures in the Greek sense of the word. A discussion of different points of view.

In summary—dear members of the Schiller Institute, dear leaders, and Helga Zepp-LaRouche—continue on the path that you are on, and congratulations.

**Hassan Daud Butt:** I want to highlight one fact from my own experience working on BRI projects for the last many years: CPEC [the China-Pakistan Economic Corridor] and BRI have almost a similar history. They both started in 2013, and in 2015, we were able to prepare our monographic study taking it forward all the way to 2030.

As we talk about energy, infrastructure, and connectivity in terms of roads and bridges, we sometimes ignore the fact that it is more about people-to-people connectivity, it's more about culture, from hearing what Dr. Muñoz said about bringing the world together in terms of talking to each other, looking at problems.

I have seen in the debates that I've been involved in since the start of the pandemic, that anti-globalization forces have started to speak more than people like us who are talking about real integration. This is, as a matter of fact, probably leading to social-economic development, to develop this connectivity. Globalization, I believe, has taken more people out of poverty than any other initiative taken by mankind.

So, I think let's all work together in a similar fashion; let's raise our voices more about how it's benefiting countries like Pakistan that are still on the path of getting stronger and more prosperous. The connectivity with the region will perhaps lead to even more economic growth and to peace and stability.

In the last almost one decade, we were talking about terrorism and factors impacting our economy because of that. Now, we are talking about regional connectivity, economic growth, agriculture, tourism, and people-to-people connectivity—not just with China, but with

the rest of the participating countries. This provides opportunities to countries like Pakistan to talk about their growth and strengths. So, I would like to again acknowledge your effort in bringing us all together. It was wonderful to have heard from each one of the speakers so far.

**Two questions for Dennis Small from Ellen Brown, President of the U.S. Public Banking Institute:** *First, The Davos World Economic Forum will be discussing what they have called the Great Reset at their January 2021 meeting, which apparently includes a proposal for a digital global currency of some kind. What are your thoughts on this? Are you proposing a global currency or global reserve currency? If so, who would issue it, and on what terms?*

*Second, What do you propose to do about Third World debt, particularly that debt that has been imposed by the IMF with conditionalities that are destroying Third World and some First World economies?*

**Dennis Small:** First, let me take up the second question. The purpose of the IMF conditionalities on Third World debt is *not to have the debt repaid*. The purpose is to impose conditionalities that will prevent those countries from *ever* developing; that's its intention. So, when you look at what the IMF has done in the past in Mexico, or Chile, or Nigeria and so on, and people say, "Oh, there's a bad economic situation; that just shows that the IMF has failed." No. It shows that the IMF was *successful* in doing exactly what it intended to do—prevent those nations from actually developing.

The debt is simply a ruse; it's a lie; it's a falsification; it's something which I like to call "bankers' arithmetic." This was especially bad during the 1980s and 1990s. In the case of Ibero-America, at the beginning of 1980, their debt was \$257 billion. Over the course of the next 15 years, from 1980 to 1994, they paid \$417 billion, after they owed \$257 billion. At the end of that time, having paid 1.5 times what they owed, they ended up owing \$547 billion. That's what I call "bankers' arithmetic," because the whole thing is a fraud and a scam, which is arranged through forced devaluations, changes in the terms of trade, and all of this kind of nonsense.

What should be done with the debt? It should be wiped out; it should simply be declared in total moratorium. It's been paid over and over and over again. As Mr. Shylock discovered, in [Shakespeare's play] *The Merchant of Venice*, when you have a choice between

collecting a pound of flesh, and actual justice according to natural law, natural law must prevail. Not just in terms of the debt, but it actually takes us to the first question that was asked: what about a currency, will this be issued, who issues it, and so on.

The U.S. dollar is not the world reserve currency; it is not the most used currency. Not because the dollar is not so used, but because the dollar is not the currency of the United States of America. It is the currency of an international banking cabal which seized control of what was once the U.S. national currency, the dollar, in 1971, when President Richard Nixon foolishly took the dollar off gold and opened up the entire era where the dollar was no longer answering to U.S. domestic needs, but became the instrument of international speculation.

So, what has to be done with the United States—as with every country—is, you have to take control of your own currency again. You need an international arrangement to make that possible.

So, there's no problem if the dollar of the United States actually helps function in that fashion, but it's got to be based on the kind of global reorganization where the priority is placed on the kinds of great development projects which have been discussed here. The Belt and Road Initiative. If you take care of the physical economics side, then the monetary side will follow. If you try to go at this the other way, starting with monetary matters, you will end up in a complete dead end.

Let me just take the opportunity, if I may—this wasn't asked, but I want to fold in another feature, which I think everyone has addressed in a different way, but which I think is really imperative in this situation. In that same speech that you heard of Lyndon LaRouche in Brazil, what happened in the very next segment of that recording, is that he connected this economic problem to the problem of war and peace. I'm going to read you three sentences:

But the problem is that under these conditions, you can hear the possibility of the Guns of August once again not far distant. Just as in the 1930s and 1940s, a world financial crisis led one country after the other on the road to war, and it was merely a matter of time.

Therefore, when you're dealing with the economic crisis today, or the questions of free trade, do not look at these as some kind of an academic exercise in economics. We're dealing with strategy in the highest, most profound sense. We're

dealing with a general threat to civilization as a whole, from which no nation is exempt.

I wanted to mention that and feature it, because I think every single one of my fellow panelists has, in fact, brought that same subject into this discussion.

**Dr. Björn Peters:** I want to add something of utmost importance to what Dennis Small just said. First of all, we are living in a relatively peaceful world at the moment. But since 30 years, nearly all of the wars have been led because of resources; most of them were energy resources. We have had oil wars in the Middle East, and resource wars a little bit everywhere.

The trick to overcome this, is actually cheap energy. Why? With cheap energy, you can utilize your resources more efficiently, and you can, for example, produce locally, synthetic fuels if you have an abundance of cheap energy. That can be done very economically.

The second aspect is that energy in physics is the counterpart to entropy. Entropy means disorder; we produce our entire system is based on producing waste. But if we have cheap energy, we can use the waste and extract all the commodities that are in there. We won't do it as long as energy is expensive.

So, both aspects are of enormous importance, and that is something we really have to solve in our generation and in the next decades. We shouldn't build too much on extracting more coal. I've heard the example of the Central African Congo, where 90% of the energy comes from charcoal; it's the cheapest solution there. That means people go into the woodlands and chop down the trees and eliminate the natural resources that we need for species protection. So, everything comes down to cheap energy, and that is something we really need to solve in our generation.

**A question from an Italian to Michele Geraci:** *What could be a valid example of direct cooperation, not competition, between Italy and China on global affairs? If we wish to build infrastructure inside a big advanced program that looks to the future as China, is it necessary to have an authoritarian system which makes the decisions without all kinds of opposition, as unfortunately happens here in Italy? How can we do so with the environmentalist regulations, etc., as we have in the U.S. How can that work?*

**Michele Geraci:** I didn't understand if the gentle-

man was asking if Italy did not have the means for the people to post decisions, or he was using Italy in opposition to the system in China, where indeed, the one party rules. Maybe that's a follow-up.

In the meantime, the first one. Africa comes to mind, we do have very real problems in our country, in Italy, and I think even in Europe, to deal with the migration potential of people from Africa. We go around the problem without really solving it at the root.

And this is my opinion. I think the root of the problem is to offer Africa a development model, maybe different from the one we have seen before, maybe different from the failure we mentioned by the IMF, and really give a stable economic and social environment.

Now, in order to do that, we need investment, and this is what China can do. We need some capabilities, some skills, and this is where, for example, Italy and China will very much be able to cooperate, in exactly in those sectors in which Italy and China have know-how, and in which Africa needs it. I'm thinking of the energy development sector, the agricultural sector that goes from food production to agricultural machinery, in which Italy is very strong.

In the construction field, China and Italy have a very big company, so they can cooperate. Occasionally, the image of the two countries can be complementary. China may encounter some difficulties, but the presence of an Italian or a wider European entity with China, completing a project in Africa, could actually solve the problem and offer a second layer of guarantee to the host country so as to dissipate any potential worries.

These are the areas, and I mentioned energy of course, where the two countries cannot be competitors, but they can be partners in helping develop a solution to a problem. It's not even a *choice* for Italy or Europe. We need to solve it, because the worry is not the ten thousand migrants arriving now. The worry is that Nigeria will have close to 400 million people. Poverty in Africa has been kept at 40%, and we really need to do something else. I say, China; I say Japan is also present in Africa, but is little known. Europe, and even the United States. We all need to cooperate in that region.

Then the second question, whether it's possible to launch great projects in nations that have all of these various political parties and opposition.

No, it's not possible. It is not possible at the level of efficiency and speed that is needed now. It was possible in the 1970s and '80s, where time was slower. We had more political stability, more time to think. Now, we don't have the luxury anymore, the frequency on the

pull side of political change is very high, because there is still turmoil that is reflected in the election, the multi-party system means the parties need to chase votes before they can govern the country. The moment they begin governing, they immediately need to chase votes again for all sorts of local, regional, European elections.

We live in a high-frequency electoral mode that does not really allow for even medium-term planning, much less long-term planning. This can make a difference. This is why, for example, Germany may be better placed, given the long-standing position of Ms. Angela Merkel. Maybe France, with a four-year locked-in mandate for the President. To some extent the United States, too.

But if the gentleman was referring specifically to Italy, he probably knows as well as I do, that we are not capable of making those plans. This is not a democracy problem, it's a problem in a country—Italy—where the effect of democracy gets in the way of the economic long-term plan.

**A question for Dr. Muñoz:** *What can be done to help people in governments in the West understand China? As an example, in the Convivencia, there was the joint collaboration in Andalusia, Spain among the scholars of Judaism, Islam and Christianity in the 9th and 10th centuries.*

**Dr. Muñoz:** There's a lot of questions that are asked there. Let's try to answer them. I'll take a shot at it. Let's do this by steps.

First of all, China cannot be understood if you look at it simply as a political system. China has an economic model which has been extremely successful for them. It's very well-defined, it is the key to their Great Leap which they have taken, which has moved them from being the 120th economy in the world, to the number two economy today. This, I believe, is what people in the West are trying to silence. The economic model of China is not the same; it is very different from that of the West. In the West, it is the economic model of neo-liberalism. China's model is not that at all.

Today it must be understood: China is not a communist country. This is always the word that is used in the West. I've lived through this personally; I've watched how they dismantled the entire Maoist apparatus going back to Deng Xiaoping in 1978. So, this has been a long process, but that is what has happened.

What is China's economic policy? What is their economic system? It's very complex to summarize briefly, but let's put it this way: The state is the regulator

of the economic policies and institutions of the country. The market economy in China today is governed in the following fashion: There are more than 90 million private businesses in China, and they have 71% of the economic participation in the country.

The other aspect of this is that it's another civilization all together. They are a Confucian society, and that means the sense of collectivity is greater than that of the individual. This is the opposite of what we have in the West, and this Confucian aspect of society in China, its characteristic, affects all aspects of China—politically, economically, socially, culturally and otherwise.

This whole question of China—I have been absolutely passionate about this, ever since I discovered that China was an entirely other world. In fact, Leibniz called it another planet. This has an entirely different meaning in terms of the ethics, the morality, and so on, and I would like to propose this as an important subject for further discussion. This is a subject matter which I would propose for a discussion with the Schiller Institute in a conference such as this: Chinese civilization, Western civilization, and then of course, there are other civilizations as well.

So, in other words, two issues I would like to propose to the Schiller Institute for further discussion are China's civilization and the Chinese economic model. I just wanted to mention to people that, in fact, the subject of China's civilization and Western civilization is the subject of my coming book on China. My fourth book, if I live long enough to be able to finish it.

Another subject matter that I don't want to leave without at least mentioning, is that globalization is a fact today. But the way it is being carried out is not good at all. There are other ways of doing this; the question is, who's going to lead it? That is the issue of the day, the most profound strategic issue of the day. Thank you.

**Zepp-LaRouche:** The contradiction Dr. Muñoz mentioned, that in the West you have more emphasis on the individual, and in China more on the priority of the common good, is not a new development. This goes back more than 2,000 years in Chinese history. If you study, for example, the imperial examination system, you can see that this was always part of China for more than 2,000 years.

I think part of the problem, from my point of view the major misunderstanding in the West, is not so much a misunderstanding. It is that China, with Chinese characteristics, represents values of a meritocracy, of a country oriented towards the common good. In the

West, we have had that tradition. For example, in European humanism in the Renaissance, in the German Classical period, in German idealism, you had this same value orientation. The problem is, in the West we have moved away from that, and replaced this with liberal and neo-liberal ideas, which is a continuous process in which the common good is being neglected.

Therefore, I think a lot of what is being said about China is a willful lie, because the people who believe in the liberal system make all their money and all their privileges running the system as it is. They don't like a force to be moral. I think that anybody who is not corrupt is a threat to their system.

This is a long story, but when I went in 1990 for the first time to Poland with our perspective of a New Silk Road, people said, "Oh! You are not corrupt? Then you are not reliable. We need corrupt people because then we know we can trust you." So, I think there is a lot of lying in what is said about China; that is my deepest conviction.

**Butt:** I want to highlight several facts based on a practitioner's standpoint. I worked for the last five years on the CPEC, the China-Pakistan Economic Corridor, which is by far the most efficient project I've seen. The Chinese project managers and the leadership who are working in our country for these projects, understand our system well. And also the same Western practices quite clearly. It is for us to know and understand the Chinese system and their way of doing things. This is not so difficult.

When I first went to China—and I lived there for several years—it was quite easy for me to understand the Confucius model, the Confucius philosophy and compare it with Islamic ideology and the rest of the Western world. I think there is an idea that could be taken over in terms of implementation of these projects. It is just the subtle differences that we need to understand.

We have had several issues while doing these projects at various levels. But as we went along in the last five to six years, we have seen that now the understanding of us about China and Chinese practices, also for China about Pakistan's, that things have improved. It's just about understanding each other and showing a kind of flexibility that the world needs to show toward each other.

**A question from Professor Dr. Navid Akhtar in Pakistan, for Dennis Small:** *How do you see the economic interactions and strategic interests of associated but inter-linked countries along the BRI, other than*

*China and the U.S., in the larger interests of world economic development? Moreover, will peace, fraternity, and economic development and sustainability across the world be possible without Asian and poor and under-developed countries? One poor brother or family may not impact you, but you still remain a limiting factor for the entire human family. Is this possible with some people still in poverty?*

**Small:** The answer is: Is peace possible without prosperity? No! It is absolutely not possible. That's what the last 50 years and more have shown. That was what I was emphasizing with Mr. LaRouche's quote.

This is the issue of the Belt and Road; it is the way to bring peace with economic development. "Development is the new name for peace," as Pope Paul VI said. There's another interesting thing which he said. This may be apocryphal, but I've heard it is what he said, which is, "When you have more heads than hats, some people propose cutting off heads. I propose producing more hats." I think that's the fundamental issue here. The problem of war is a concept of man—the concept of man of each against all in warfare, the Hobbesian concept.

Unless that idea is replaced, unless that cultural issue is solved, unless we have an economic system which fosters and makes that concept of man possible, then we will be looking down the barrel of the gun toward war; and in this case, nuclear war. So, I think that's the crucial question. The CPEC issue is crucial, because of the part of the world that it's in. Extremely conflictive. The only way to bring peace, is through that. The Middle East is the exact same question, and so on around the world.

**Dr. Natalia Vitrenko:** Today, the world is hopefully not going to cross the line that separates us from the beginning of the Third World War. It was not by accident that I gave the example of Ukraine and Belarus as the countries that are being used to provoke such a war. The conflict is there. For example, in Crimea, the Ukrainian Constitution counts Crimea still as part of Ukraine, whereas the Russian Constitution states that Crimea is a Russian territory. That could cause a territorial war.

For seven years, I have been participating in the Schiller Institute conferences. And I've always been representing this part of humanity which is in war. It's like a pendulum, with some in the world moving toward war. There's China with its wonderful [Belt & Road] Initiative. We all have the same problem in the world; we have one planet, and we are risking to lose it. We need to preserve it.

As Dennis Small said, and of course, this comes from our Lyndon LaRouche, humanity needs to change; humanity needs to become different; humans need to become different: To stop seeking conflict, to stop seeking how to oppress or destroy your enemy or competitor, but instead we need to be peaceful. We need to seek collaboration, but the problem is that although we might want to seek that, at present, humanity as a whole doesn't have it.

Today, the Minsk agreements are not being fulfilled; they're being violated. The hawks of war in Ukraine are constantly feeling the so-called support of the United States, which is constantly doing everything in the way of so-called "help" to continue the war in Ukraine.

Now they're trying to include Belarus in this massacre. They're using the same scenario, only modified for Belarus. Like Svetlana Tikhanovskaya, who is actually a nobody; nobody knows her in the country, but suddenly she becomes the leader of the nation. She just interfered in a very rude and unacceptable way in the internal affairs of Belarus. If these two countries—Belarus and Ukraine—start attacking Russia, it won't be easy for anyone, including Europe or the whole world.

The United States has now officially declared that its main enemies are China and Russia. So, what is all of humanity to expect? A Third World War?

Our conference is important because of that. We must not leave here just wishing each other good luck and other good things.

We must create a committee aimed at saving the world civilization. This committee must include representatives from all continents, and every country of the world. We must send the results of our research and what we know to all the leaders of different countries, to the UN, and to all significant players around the world. Because we represent the people of our countries, and we are their voice. Then, we can know for sure, and we can imagine how the peaceful initiative of China will actually be accepted and received everywhere in the world by different countries, and the world will be transformed.

Any pandemic can be contained and defeated. If we unite our forces as humanity in the technical, scientific and other important areas, we can defeat any kind of pandemic together. Thank you so much. I'm so glad I was finally heard.

**Speed:** Yes, and so are we. That's what we were missing. I knew that's what it would be like if you could actually get through.