

## LaRouche defines policy role after his Moscow visit

by Nora Hamerman

Lyndon LaRouche, until recently a political prisoner of the George Bush administration, and now an Academician in one of Russia's leading scientific academies, the Universal Ecological Academy, addressed a seminar convened near Washington, D.C. on May 26 to report back on his recent trip to Moscow.

Exactly one month had passed since LaRouche, accompanied by his wife Helga Zepp-LaRouche, had spent six days in Moscow in late April. Now he gave, to a group of diplomats, press, candidates, and other guests at a Virginia hotel just across the Potomac from the nation's capital, a report spanning two major elements: the points he had stressed to the policymakers and scientists who had invited him to Moscow, and his assessments of the Russian situation.

LaRouche, the founder of *EIR*, which sponsored the meeting, observed that his strategic evaluation, while provisional, is "of interest to a number of other countries besides people in the United States, Germany, and Russia." Indeed, the audience included diplomats from Nigeria, Kazakhstan, Bolivia, Malaysia, Sudan, and Kenya, as well as media reporters from Moscow and Beijing, and the conference was simultaneously translated into Spanish for guests from Venezuela, Argentina, and Mexico.

Before LaRouche was introduced by Mel Klenetsky, he had distributed copies of a memorandum on "The Meaning of the Term Physical-Economy." "It's a term that tends to confuse people," LaRouche said, and the memo serves the purpose of a "glossary" which will help clear up the confusion. As it turned out, several questions pivoted on LaRouche's assertion that the monetary and financial system is about to "break apart," and he gave a detailed description, based on the method of physical-economy, of how derivatives speculation is destroying it.

### Background to the visit

"Since particularly the events of mid-1991, a number of my associates had been in the former Soviet Union, then Russia, as well as in Ukraine," LaRouche recounted. "And in these countries in eastern Europe, they found that I was well known, which is not entirely surprising."

"From the spring of 1983 into beyond 1987, the official Soviet press had damned me frequently and prominently in a way which is incomparable in modern history, at least post-war history. So I was very well known in Moscow, and I was known in Moscow as the author of the Strategic Defense Initiative," he explained, because President Reagan had adopted the beam-defense policy LaRouche had been presenting in background talks with the Soviets.

"My wife subsequently made trips to Russia; and, in the course of these things, some people in Russia became very interested in my writings, and publishing them in Russian." Then LaRouche's 1984 introductory textbook in applied physical economy was translated into Russian, and prior to publication, some of this was circulated in Russia as well as in Ukraine. "A number of people became very interested in what we had to say, especially this Prof. Pobisk Georgevich Kuznetsov, who's a very famous figure in Russian postwar history," said LaRouche.

On April 28, at the LaRouches' last event in Moscow, Kuznetsov joined LaRouche for a seminar before a group of his science project. It turned out that in 1975 a group within the Soviet government had undertaken a secret research project in physical economy, which had to be protected both from the Marxist theoreticians and the theoretical physicists. LaRouche recounted, "He said, 'We read your book. We found that many of the things we thought were our secrets are reflected in your book. Will you please tell us how you

found out about these things?’ ”

LaRouche said he emphasized to the Russians “that we know all about the collapse of the Soviet economy, the East bloc system, which they knew I had forecast back in 1983. But I said, ‘Have no doubt that the present global financial and monetary system is not only going to collapse, but is going to go into an absolute breakdown collapse, *unless* (which is very unlikely) various governments, including the U.S. government, were to put the present monetary system into bankruptcy. That would stop the collapse, and nothing else will stop it.’ ” He concluded: “Therefore intelligent governments will consider nothing serious, except to make preparations for this collapse and to organize quickly a recovery of a new financial system and a new monetary order the instant the collapse occurs.”

### What we must do

“You have to put the system under bankruptcy under law, by the action of sovereign nation-state governments and by concerted action among such sovereign nation-states. . . . And that includes putting into bankruptcy the U.S. financial institutions, which means the New York banks. It means putting them all into bankruptcy reorganization under federal government supervision.” The Federal Reserve System will have to be taken over by the U.S. government, and made into a national bank along the lines indicated by Treasury Secretary Alexander Hamilton, and the U.S. government will have to create currency under Article I of the U.S. Constitution. “We are going to break up the private central banking system of the world, and go back to what was called once the American System of Political Economy,” LaRouche said.

“So the job now is to define first of all agreement on those measures and secondly, to define the economic policy measures which will be taken to get the economies moving instantly.” The basic need is for basic economic infrastructure: railroads, water systems, power systems.

The alternative is genocidal chaos, he warned: the Kampuchea of Pol Pot, the disintegration in the Balkans, Somalia, Rwanda—all under U.N. Blue Helmet supervision.

The Russians, LaRouche reported, have experienced the collapse of the Comecon system and are about to witness the collapse of what they call the capitalist system. “The question is, to look at the process of transformation, and to learn from a process of *change* what kind of a change we wish to make.”

Russia’s only significant economic asset lies in the science-driven military and aerospace industries, he said. In Russia, “if someone went into military service and if they were bright they ended up in the military sector as their future career,” while “the civilian economy was made up of people who did not want to accept technological progress.” Yet, “the Russian system did not effectively move technology from where it was being generated in the scientific-military-aerospace sector, into the rest of the economy. The other problem, of course, was that the Russians didn’t believe in infrastruc-

ture—Stalin always believed that if he built a railroad system, the Germans would use it to overrun the country.”

He shared his insight, “that to become a scientist in Russia, you probably started as a political dissident. . . . Therefore, a whole section of the Russian scientists is a key part, not only because of their scientific capabilities, but because they represent *potentially* the core of a very valuable political component of the future of Russian society.” Thus, “It is the vital interest of the United States, that the Russian military-industrial sector be preserved, not demobilized, not torn down, not be turned into pots and pans.”

### Eurasian rail development

“After I had left Russia, President Boris Yeltsin visited Germany for a meeting with Chancellor Helmut Kohl,” LaRouche said. “Yeltsin proposed that the German government, which is now to lead the European Union, take over a proposal to build high-speed rails from Berlin to Moscow and proposed that this be seen as part of a system connecting to Paris to Moscow and beyond, through Warsaw.” Meanwhile, from Russia, a news release “announced the intention to run the rail lines from Moscow to Tokyo, which means to Vladivostok. In the same period, we received a communication from a Chinese ministry in response to an *EIR* inquiry on the Silk Road railroad proposal in China,” he reported.

“If we look ahead to the future of humanity, and look beyond the sinking of the *Titanic*, we have an obvious way of reorganizing the world, which is the alternative to going to death or hell under a U.N.O. world dictatorship. And that is to do what the British have always feared: Do the geopolitical utmost. Let us foster rails from Brest to Vladivostok. Let us foster the development of the Silk Route railroad in China. Let us foster collaboration among two sections of Asia: Define the northern section of Eurasia from the Atlantic to Vladivostok. Then define the southern part of Asia which is China, the Asian Rim, and South Asia.

“Now integrate the two in the logical way in which they should be integrated, which means that you are now in the area of the majority of the world’s population. This now includes the basins of the Indian and Pacific Oceans. The basin includes the East Coast of Africa; the basin includes the West Coast of the Americas. This is where the world’s future population will be concentrated. If we are developing physical economy, these are the trade routes.”

There are only two alternatives to this policy, LaRouche warned. Russia is headed either toward war and chaos, spreading throughout the planet; or toward a dictatorship backed by the military and security forces. “The idea that there’s going to be some great rise of a democratic movement around capitalism and free trade and what not, to rebuild Russia, is a *complete pipe dream*. The last chance for a democratic solution in Russia went out the windows when the windows were shot out at point-blank range by Russian tank artillery.”