

# Dangers, opportunities in the third millennium

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Mankind's highest achievements in technology were the "Man on the Moon" and the first microprocessor, which started the new age of the future, information-oriented society. The technological level of mankind, today, has outrun mankind's spiritual level of achievement. The results of this trend can be seen all over the world.

In the U.S.A., the crisis started with the assassination of President J.F. Kennedy, followed by the unsuccessful work of the Warren Commission, the Vietnam War, the beginning of the rock-drug-sex-violence counterculture, and the Baby Boomer generation, with its self-importance, egoism, and cultural pessimism, which today rules many states in the world.

Thus, mankind has many unsolved problems. To solve them for the third millennium, we need not only a functioning economy, but also a high level of spiritual and cultural values.

The post-socialist countries jumped at the last minute from one *Titanic* to a second one, which also has many holes. The danger of financial collapse comes especially from speculation in derivatives. In the world economy, this is about \$1.3 trillion daily. The cancer of speculation translates each year into losses for banks of about \$35 billion. No country can protect itself for very long against such pressures. The profit from speculation is transferred, in turn, to new speculation or to real estate.

An economy cannot function without morality — it cannot be based on fast and dirty money, on speculation, casinos,

lottery, drugs, prostitution, weapons trading, and real estate. This "financial AIDS" destroys the economy of any nation-state. Since this is an international problem, it is necessary to solve it with an international movement. The campaign for the convening of a New Bretton Woods Conference is one such activity.

The annual debt of many countries is growing, the number of bankruptcies is huge, credit card debt in the U.S.A. totals hundreds of millions of dollars. On June 12, 1997, the *Washington Post* wrote that about 50 million Americans live below the poverty line.

Monetarism is destroying Africa, South America, Russia, Ukraine, and also other post-socialist countries. As Oscar Mariaga, the president of the Bishops Conference in South America, put it, "South America has paid the loans it took many times over." The director of the United Nations Organization for South America, Zumbado, said, "The free market has suppressed hyperinflation and stabilized the economy, but failed to solve the problems of mass poverty and unemployment. The euphoria about the idea that the free market would solve all problems is gone. Macroeconomics was improved, but poverty and bad distribution of profit became worse." The prime minister of France, Jospin, announced that he would return to the positive role of government to protect and support the population by seeking alternatives to austerity and globalization. "The economy and financial markets must be regulated," he said, and added, "Economic growth is necessary and the problem of unemployment must be solved—the consequences of a radical free market represent a 'threat to civilization' itself."

A statement of trade unions to the OECD Council in June 1997 said that "36 million OECD people are unemployed, 1 billion people in developed countries are below the poverty line, and an IMF-World Bank initiative for greater debt relief is urgently necessary."

Using the example of the Slovak Republic and the Philippines, two Christian-oriented countries, 12,000 miles distant from each other, but with many similar problems, we illustrate the present economic problems in the world.

## **Slovakia after the 'Velvet Revolution'**

The post-communist countries lived for 40 years under the totalitarianism of the communist parties, which destroyed the lives and souls of millions of people. The rapid success of the revolution in 1989 led to the illusion of fast improvement in all aspects of life. People dreamed of life without communists and without the terrorism of the secret service and censors; they naively believed, that such a system of freedom existed in the West. In the "Velvet Revolution," there were many winners, but no losers.

All post-revolution governments began to repeat the mistakes of capitalism, without searching for more specific ways of transformation for each country.

The formula for all post-socialist countries was the same: a shock therapy, without preserving any of the positive social elements of the past. As the last chance for communists, came primitive nationalism, which split society. IMF conditionalities were shock therapy: liberalization of prices, devaluation, wild privatization, support of imported goods, tax increases, restriction of domestic credits, cutting of budgets, especially of government expenditures—health, education, housing, culture. This led to ever-increasing social differences and tensions, to the fall of the first post-revolution dissident government, which believed too much in this model of hard capitalism. Then former communists came back into power, whose behavior is, for example in Slovakia, again more or less totalitarian. In the Slovak situation, we can also see the weakness of democracy: One-third of the people elected a government, and a small majority in parliament produces a one-party system again. This is very dangerous, if basic ethical principles are not upheld, for example, in the process of large-scale privatization. We rejected communism, collectivism, centralization, but we see that capitalism without morality does not work either. It produces a society with 10% rich people, and millions of poor and unemployed. Profit, money, competition, total decentralization, individualism alone, without solidarity with people on the fringes of society, created many problems.

According to the trade union statement for the OECD, “The Russian transition to a market economy brought the destruction of half its industrial potential, a collapse of the social net, mass poverty, and a dramatic decline in both life expectancy and birth rates.”

We need an economic system based upon social justice, responsibility for others, and a Christian answer to these questions. The social teaching of the Church and the Pope’s encyclicals are a good basis for seeking this alternative.

In my opinion, the economic, cultural, and educational alternative given by Lyndon LaRouche represents the hope for future.

### **The case of the Philippines**

The Philippines survived many miseries through the centuries. Today, their misfortune is globalism and the free market; it means the recolonization of the country, the destruction of the nation-state, its agriculture and industry. No country can be sovereign any longer, if its financial conditions are decided outside of the country. The free market means taking advantage of cheap labor power. On July 11, 1997, the peso was devalued by 10% in one day, and has continued to decline, by about 25%. The IMF offered a \$1.1 billion standby credit. There were many in the cabinet who opposed any new IMF agreement.

So, the debt of the Philippines is constantly growing. With President Cory Aquino in 1986-92, the debt was \$17 billion; since then, they have paid \$27 billion and their

current debt is \$40 billion. The growth of debt per year is about 11%. . . .

The declaration of the Association of Major Religious Superiors of the Philippines from July 11, 1997 says, “We have come to realize that the macro-economic stabilization and structural adjustment programs imposed by the IMF and World Bank on developing countries have collapsed the internal purchasing power of local currencies, caused the eruption of famine, massive dislocation and migration, degradation of women, closed health clinics and schools, and have denied millions of children the right to basic education. The World Trade Organization conditionalities violate people’s fundamental rights, particularly in the areas of foreign investment, bio-diversity, and intellectual property rights. We are convinced that globalization goes beyond mere market and trade arrangements, monetary and fiscal policies. Rooted in the dominant philosophy of neo-liberalism, it connotes a whole system of thinking, valuing, judging, behaving and relating, based on an emerging concept of the human person with a diminishing sense of the sacred. Globalization also refers to the worldwide spread of an increasingly secularized culture, where religion and moral values are considered outmoded.”

### **No compromise with evil**

They, together with many other organizations and movements, and together with Pope John Paul II, demand forgiveness of debt for the poor countries in the Jubilee, the transition to the third millennium.

Lyndon LaRouche also started a movement for a debt moratorium for the Third World, “not because the debt is unpayable, but because it has already been paid.”

LaRouche said, “The world is quickly coming to a crucial point, which is repeated maybe one time each 500 years. This is a threat, but also a big chance. It can be a global financial crash or a new epoch of mankind.” LaRouche gives a Christian alternative for further development. He always speaks openly, saying clearly “yes” or “no”; compromise with evil is not possible for him. He analyzes not only what is happening, but also who was behind events, and why. That is why he has so many enemies.

The international campaign for his exoneration and for the release of his five collaborators from barbaric, long sentences in the prisons of the U.S.A. has still not come to an end.

To solve all problems in West and East, we need to return to moral values, to the idea that creativity is the most important feature of mankind, that each person has the same dignity because he was created as “*imago viva Dei*,” that, in addition to economics, also spiritual values are important.

Forty years of communism and eight years of freedom have shown, that if God does not exist, everything is allowed, and if God is forgotten in our projects, they have no chance for success.