

## EDITORIAL

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# The End of Globalization

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**Helga Zepp LaRouche:** Dear participants in the Dubna Conference, dear Professor Bolshakov:

I feel very honored that you are allowing me to again address your conference, especially at this extremely dramatic and exciting moment in history. We are experiencing right now a world revolution. We are seeing the collapse of the paradigm of globalization, and it is maybe an irony of history that this paradigm only lasted about 25 years. It started to come into being with the disintegration of the Soviet Union in 1991, and it was characterized by the idea that there should be a unipolar world, and therefore that it would be legitimate to topple governments which would not submit to this unipolar world, by means of regime change, color revolution, or even wars based on lies, as we have seen so plentifully in the Middle East.

The economic side of this globalization went along with neo-liberal monetarism, which created the condition where the rich became so rich that they don’t know what to do with what they have accumulated; the middle class dropped into poverty; and for an increasing mass of poor people, they became so poor that despite many jobs or no job at all, they could not make ends meet.

This has been the reason that there was a revolt. First in June in Great Britain with the Brexit; this continued with the election of Donald Trump in the United States; and we just saw the “no” to the referendum in

Italy, which had essentially the same reason: complete mistrust of the population against an establishment which has been completely out of sync with the interests of the common good and the common people. This revolution, I dare to predict, will continue until the injustices associated with it—which have killed many people either in war or by economic means—are corrected.

### Alternative System Is Ready

The good news is that an alternative is already in place. You know that we were extremely engaged, in the same 25-year period, with the idea of building a Eurasian Land-Bridge, which we already in 1991 called the New Silk Road; that we have promoted this idea of a New World Economic Order based on principles of physical economy, as they were proposed by Mr. LaRouche for almost 50 years—that they should become the basis for a New World Economic Order.

Now after some many difficulties, finally, in September 2013, President Xi Jinping, in an address in Kazakhstan, put the New Silk Road on the international agenda. And what you have seen in the meantime is an unbelievable speed of cooperation among nations in Asia, but also in other parts of the world, all based on the principle of “win-win” cooperation, whereby naturally China is exporting the very successful Chinese model of economy. After all, China was able to develop its own economy in a period of only 30 years, to reach the point that the industrialized world needed almost 200 years to achieve. China is exporting this economic model, but it is doing so on the basis of a win-win conception; that is, the idea that all participating countries have equal benefits and advantages. It is the same idea as the Peace of Westphalia, that foreign policy can only succeed if it is in the interest of the “Other.”

I know that in the beginning, there was a certain amount of debate in Russia, about whether this would

be against Russian interests. But in the meantime, I think a very successful process has developed. In the latest stage, at the Vladivostok Eastern Economic Forum in September, with the participation of [President Xi,] President Putin, Prime Minister Abe from Japan, and many others, and 2,500 delegates from many Asian countries, there was a big integration of the “One Belt, One Road” policy with the Eurasian Economic Union. That integration is moving forward very, very rapidly. It now already involves more than 100 nations and international institutions. It involves integration of infrastructure and high-technology cooperation, especially in the field of energy and nuclear energy; it involves space cooperation; and it has become a very attractive dynamic. After Vladivostok, this integration continued at the G-20 summit in Hangzhou; it followed with the ASEAN conference in Laos; then it went to Goa, to the BRICS annual conference, in India; and the latest example was the APEC conference in Peru, where many Latin American countries are now joining this development.

This is an economic model which is already reaching Europe, with the 16+1 countries of Central and Eastern Europe, which are now all cooperating with China on the development of infrastructure. But it is very clear that you cannot work with China from Central and Eastern Europe, without going through Russia, and without Russia being part of this, so that it becomes a real peace order. The EU has been extremely “stand-offish,” not taking up President Xi Jinping’s offer of win-win cooperation; they have also, naturally, not taken up President Putin’s many, many offers for cooperation in Eurasian integration from the Atlantic to the Pacific.

But now with the election of Donald Trump, there may be a change in the situation.

### **New Potentials**

This is not yet decided, but it is a potential. One thing is very clear: If Hillary Clinton had been elected, we would in all likelihood have been on a very short road to World War III. Very hopefully, this is changing, because Trump already had phone conversations with President Putin and President Xi, and said that he wants to normalize the relationship between Russia and the United States. That obviously is not enough, but Trump had also promised that he would implement Glass-Steagall, the banking separation law of Franklin D. Roosevelt, and that he would invest, in his first 100

days in office, in a \$1 trillion infrastructure program for the United States, to make the infrastructure in the United States the most modern in the world. To carry that out, he has a big job to do, given that the infrastructure in the United States is completely falling apart; but this is potentially the solution.

Because—after the Schiller Institute published the 370-page book, *The New Silk Road Becomes the World Land-Bridge*—we added one more chapter—namely that the United States must join the New Silk Road, because the United States needs a massive infrastructure program. Now President-Elect Trump may understand that, for good reason—because he is a businessman, and as President Putin just noted, he has been successful, and probably will find his new responsibilities on a higher level. And as Madame Fu Ying, chair of the Foreign Affairs Committee of the National People’s Congress, said recently at a conference in New York, the proposal by Trump for a U.S. infrastructure program can be a bridge to the New Silk Road and the “One Belt, One Road” policies. If that program can be successfully put on the agenda, there is indeed hope.

### **LaRouche’s ‘Four Laws’**

Mr. LaRouche—who would have liked to also send you greetings, but he unfortunately has a severe cold right now, but he greets you anyhow—he has been emphasizing that the only way the world can get out of this present crisis requires at an absolute minimum, the implementation of his four basic laws.

The First Law is to go back to the banking separation of Glass-Steagall of Franklin D. Roosevelt, doing exactly what Roosevelt did in 1933: separating the investment banks from the commercial banks—to isolate the derivatives and the bad debt, the unpayable debt, and just stop the casino economy. If the investment banks have to close, that’s all the better, because we really don’t need this casino aspect of the economy.

The Second Law goes back to the idea of the National Bank, which first was defined by Alexander Hamilton, the first Secretary of the Treasury of the United States, and which basically implies the Third Law—the idea that a sovereign government has the right to issue credit, provided it only goes into productive investment. I think this is a very important point in Russia right now, because of the various economic heritages coming from the Yeltsin period, and the question of where the power to generate credit is located. I think this idea, for Russia, is extremely important: that the

sovereign government has the right to issue credit—and I don't mean money, I don't mean reserves, I don't mean paper money on the financial open markets—I mean something completely different. I'm saying that the sovereign government has the right to issue credit lines for investment in those areas of the economy in which you would also invest if the economy were in good shape. This was exactly what not only Alexander Hamilton did, but also what Lincoln did with the greenbacks, but especially what Franklin D. Roosevelt did, by creating the New Deal, where the Reconstruction Finance Corporation, after the Glass-Steagall Act was implemented, issued credits for huge, large-scale infrastructure projects such as the Tennessee Valley Authority project and others, and with that, took the United States out of the Depression and made it, by the end of the Second World War, the most prosperous nation in the world. And it was exactly the same kind of credit mechanism which was used in Germany in the postwar period by the *Kreditanstalt für Wiederaufbau*, to finance investment and the reconstruction of Germany. And this led to the Economic Miracle, which everybody admired, in only a few years time.

In 1931, there was a presentation by Dr. Wilhelm Lautenbach before the Reichsministerium in Germany, which essentially proposed what Roosevelt proposed two years later in the United States. What Dr. Lautenbach said, is that you have the coincidence of a world depression and a world currency crisis, and the usual market mechanisms do not function any more. The only way this can be addressed is by the state: The state has the right and the power to issue credit, and provided that credit goes into real production, based on physical principles, then it is not inflationary, and that is the only way you can get the economy going.

That would also function in Russia today; there is no question about it: It would work if people left the idea of "money," and instead went to the idea of physical economy only. The Fourth Law, which LaRouche insists is absolutely crucial, is that you have to have a crash program for the development of fusion power and international space cooperation, because the world economy lacks qualitative increases in productivity as a result of the paradigm of globalization. Investment in basic research and development in the last 25 years was neglected to the point that the world economy today is not in a position to take care of the existing world population. And you can only remedy that by a gigantic leap in productivity, which must be the result of higher

levels of energy flux-density in the production process, and the absolutely necessary next step in this direction is fusion power.

Thermonuclear fusion solves several problems at the same time, and as you know, breakthroughs were made with the stellarator in Greifswald in Germany during the past year, but also in the Chinese EAST model. All it needs is appropriate funding to get such a crash program to lead to the success and potential commercial use of fusion power. Fusion power would give you energy and raw materials security for the entire world, and it would also solve the problem of getting mankind a new form of propulsion for space travel, and in that way shorten the time tremendously, which is absolutely necessary if you want to go into longer space-flights such as to Mars.

The Chinese are very advanced; for example, they want to land on the far side of the Moon next year, and they have invited many, many countries to join them in the Chinese Space Station, which will be ready in the year 2022. They intend to mine helium-3 from the far side of the Moon as a fuel for a fusion economy on the Earth.

This is all very exciting, and I think that the idea that mankind is the only creative species, and, as Mr. LaRouche has said many, many times, we are the only known creative species in the universe so far (that does not mean that we may not eventually find other intelligent beings from other galaxies, since there are about 2 trillion galaxies, so that's a big question), but I think we are on the verge of a completely new paradigm. If we go now for the kinds of scientific breakthroughs which are on the level of Albert Einstein—the question of what is the role of man in the universe, and how can we think about ourselves, our creative mentation, as the most developed aspect of the universe—then we can change the identity of humanity so that we become truly adult, and that we work together. Geniuses of different nations and different cultures can easily work together, like astronauts, who understand the common aims of mankind which we must pursue, and not geopolitical aims.

I think we are on the verge of such a new paradigm. I think if we all act together now, to use this potential of hopefully changing the United States, getting new cooperation between the United States and Russia, moving to a completely new model of economy, what many people have called the common destiny or common future of the one mankind, I think we have a great future ahead of us.