

Situating Sudan's future in the development of world history

by Lyndon H. LaRouche, Jr.

Mr. LaRouche gave this speech on Dec. 22, 1996 at Friendship Hall in Khartoum, Sudan. In his introduction, the panel moderator expressed the hope that the guest speaker would elucidate the hostile policy of the Western countries toward Sudan.

I look at this from the standpoint of the United States, and invite you to try to adopt the standpoint of *me*, in the United States, looking outward to understand what is happening in the world today.

But, I ask you to go back 500 years, because, as Leibniz insisted, the incompetence of mathematics, as still taught today, is, it ignores the fact that a line does not exist; it exists in a situation. Except to the World Bank! I might add, the World Bank might be approached by a certain country, saying, "We understand that you're supposed to deal with infrastructure projects." And, the World Bank would look solemnly at them and say, "Yes." "We have a list," the country would say, "of infrastructure projects." And the World Bank would say, "Submit your list."

And you read the list, and pass it to them. And, they come back, later, months, years later, and they say, "We have turned you down on *everything*." "Oh, yes?" "Except one thing." "What?" "We gave you 50 kilometers of road." "When do we get it?" "Oh, we already gave it to you." And you say, "Where's the road?" And they go to the map and they point it out, and you say, "What? It's a road from nowhere to nowhere!" "But, we gave you a road."

Now, that's like the modern mathematician, who tells you where the road is, how long it is, but doesn't tell you *where it is situated*. And, therefore, to deal with problems of international policy, you can not talk in algebraic terms. You can not say, "Here are the facts," "Here's the length of the policy," "Here's the man who did it"—it really doesn't mean anything. You have to determine what situation, it's situated in.

The oligarchy versus the nation-state

Now, European civilization began to emerge as a dominant civilization in the world about 500 years ago. It occurred in the context of a great ecumenical conference convened in Florence in 1438-1440, which launched a long-pending effort

to free mankind from forms of society, from all kinds of forms of society, mostly inferior, in which more than 95% of mankind was condemned to a life somewhat like that of human cattle: slavery, serfdom, or worse conditions, conditions which still exist in parts of the world today, and seem to be rather on the increase of late, rather than on the wane.

The basis for this new form of society, which was known as the nation-state, was education. The education of young boys, at that time—orphans and other young boys from poor families, and others—to form the nucleus of a national intelligentsia, through what was called a humanist form of education.

By "humanist form of education," one *should* mean that the child is put through the process of reenacting, in his or her own mind, the original act of discovery, of important discoveries of the past. Therefore, the child, in such an education, instead of being able to *describe* the result of a discovery, is able to *reenact it to others*, in discussing it. Of such a child, we say, the child *knows* what he is talking about, while the other one has merely passed a university examination, and knows nothing. He was too busy passing examinations.

That kind of education produced a number of geniuses, famously typified by Leonardo da Vinci in that period. And, around these geniuses, the modern nation-state was built. The first one was France, under Louis XI, between 1461 and 1483. It was the first state in Europe in which, instead of the people belonging to the monarch, and the overlords, the state was presumed to belong to the people, at least in principle. This idea spread; and, the conjunction of education with technological progress, a commitment to scientific and technological progress, resulted in a new form of state, which was able to successfully challenge both the feudal forms of society, and another form, then in Europe, typified by Venice, of a society based on pure usury, that is, financial usury: Venice, which dealt in slaves, which dealt in usury of all forms, and was a maritime country.

Out of this, there came a great challenge to the old forces that had ruled society: oligarchs, a few powerful families, who ruled over entire nations and groups of nationalities, with the aid of lackeys, their servants: soldiers, justices, other people who were essentially servants, lackeys, of an oligar-



Lyndon and Helga LaRouche in Sudan, December 1996. Mr. LaRouche gave his audience at Khartoum's Friendship Hall a briefing on the financial-economic and strategic crisis the world confronts. "I welcome the revolutionary implications of this crisis," he said. "But, we will not enjoy the revolution unless we succeed. And, therefore, we have to prepare the measures we must take to get us through the crisis."

chy. The oligarchy did not like this, so there was a great war that broke out in Europe between the forces of nation-state and oligarchy; we might say, otherwise, "between the forces of *freedom* and oligarchy."

Because, every man is made in the image of God, born with that, made to exert dominion over the Earth. Every child that's born must be seen—in the eyes of that child—as having that potential, that divine gift. The child must be developed, through family nurture, in education, in society, to bring forth the fullest possible fruit of that potential. Then, society must provide the opportunity, through the security of the family, and the securing of opportunities for that child as an adult, to utilize its developed talent to the benefit of society, so that, as one great poet says in Islam: "Every man who lives so, may go to his grave with a smile on his face."

And, that is the right, the true right of freedom of every person: to go to their grave with a smile on their face, knowing that their life has been a mission given to them, and that they have served and fulfilled that mission as it was determined they should. Therefore, they can smile, "My life has fulfilled its meaning." And that is *true* freedom. That was the fight. The oligarchs said, "No."

And, because of corruption in the forces which were fighting for the nation-state, Venice survived. And, there was a movement to crush the nation-state.

But, a nation-state is a funny instrument, in economics and politics. Technology, the elevation of people to higher mental qualities, as a modern nation-state tends to do, means that that nation-state has a per-capita fighting potential above

that of the poor serfs, the human cattle, that live in society. Therefore, the enemy could not continue to try to eradicate the nation-state. The enemy turned to subversion and corruption.

This introduced a movement which was called "The Enlightenment," which, formally, was begun by a Venetian monk by the name of Paolo Sarpi. And, Paolo Sarpi instituted what today is called "liberalism," philosophical liberalism. And that satanic doctrine, which is literally satanic, was later called "free trade." It was against that satanic doctrine, of free trade and liberalism, that the United States was created.

What has happened to the United States?

A group of people from Europe founded colonies in the Americas with the intent that they should be quasi-independent republics. In the course of time, it became apparent, after 1714, that the British Empire, then called the United Kingdom, was the mortal enemy of everything we were trying to do in North America, and it would come, sooner or later, to a struggle for survival: Which would survive?

At a later point, by 1763, it became obvious that we were going to have to fight a war against the imperial power of the British monarchy. We fought that war. The leaders of that fight were enemies of the thinking of John Locke, and followers of the influence of Gottfried Leibniz. The influence of Adam Smith, whose second book was published in 1776, on "free trade," was that against which we fought. The liberalism of John Locke, the philosophy of slavery, was that against which we fought.

But, we were a smaller country in numbers; the European

powers were great. After the French Revolution and the victory of Britain and its allies, in the course of that time, we were isolated. We had to wait until we had more power. In the meantime, the enemy planted seeds of evil among us. The slave tradition was one; a group of people tied to the opium trade, the British East India Company opium trade—in Boston, and the founders of Yale University, for example, were among these, and they grew in power. A slave conspiracy was organized in the Southern states, by Britain, to destroy the United States, particularly under the direction of Bentham, first, and Palmerston, later.

We had a leader, Lincoln. We won that war, with the help of our allies in Germany, and our allies in Russia, Tsar Alexander II. Russia was, in that period, from 1850 until the end of the Nineteenth Century, an ally of the United States against Britain, and as France was our enemy during most of the Nineteenth Century, was also our ally against France, particularly the France of Napoleon III, that France that came to power particularly after Fashoda in 1898, again; that evil France, France of the Entente Cordiale.

We were determined to destroy Britain and the British Empire. At the beginning of the century, a change occurred. There was the election of Theodore Roosevelt, whose mother was a part of the Confederacy, whose uncle was the intelligence chief for the Confederacy, based in London during the Civil War. Teddy Roosevelt was evil, he was British.

We had Woodrow Wilson, later, a man who also represented the Confederacy, a great admirer of the Ku Klux Klan, a man who played a leading part in reviving the Ku Klux Klan in the United States, *while* he was President of the United States, a complete British agent.

Coolidge, the man who followed him, after Harding, was, again, a degenerate, an evil, treasonous man. Hoover was not so bad, but the party he controlled was not very good: the party of Mellon, very close to the British royal family.

Franklin Roosevelt was a *better* man. Not a perfect man, but he was determined, during the war, that at the end of the war, as he told Churchill, we were going to destroy the British Empire with the conclusion of hostilities from World War II. We were going to destroy the French Empire—which was why de Gaulle was an enemy of the United States during that period. We were going to destroy the Dutch Empire; and the Portuguese would be easier to deal with, not such a big deal; the Belgian, also. Because it was our view—and I shared this view, even though I didn't know it was Roosevelt's view at the time, when I was serving overseas I saw the conditions in the British Empire. I saw them in India. I saw what the British did in India, and I was determined, that it was impossible for us to return to the United States in peace, if we left the world under the control of such empires. The condition of oppression to which man was subjected in these places, must lead to great violence, unless justice were done. And, Roosevelt was committed to do that. And I was happy to learn that, later on.

But, in the meantime, he died. And, he was succeeded by a silly little man, called Harry Truman, as President. And Harry Truman was a typical, silly little man, who was a complete tool of Winston Churchill, and Winston Churchill's tools in the United States, such as Averell Harriman. Churchill launched the Cold War, but Harriman did it, by dropping two bombs on Japan, for which there was no need, no military purpose whatsoever. Peace had already been agreed to by the emperor of Japan. There never would have been an invasion of Japan by the U.S. military forces. It was *not necessary*. Japan was totally blockaded, the naval blockade. A nation dependent upon imports, even to exist, could not import anything, not one ship. The Japanese economy was at collapse. There was no need to kill anybody: Wait until they, in their good time, agreed to the offers—that was MacArthur's policy.

Truman, on orders from London, intervened, dropped the two bombs we had in our arsenal on the civilian populations of Hiroshima and Nagasaki, in order to inaugurate the Age of Nuclear Conflict. Russia, at that time, the Soviet Union, had already begun to develop the nuclear weapon. It had been done under this great Russian scientist Vladimir Vernadsky, whose protégé, Kurchatov, is famous for developing the Soviet bombs. So, what Britain did, through Churchill and this crowd, was to set up the Soviet Union, with which Roosevelt had tended to collaborate, as with China, to *crush* imperialism on this planet, to eliminate the last vestige of colonialism, as a necessary condition to eliminate the last vestiges of free trade from international trade, to eliminate the influence of British liberalism from its dominant role in international affairs.

So, Truman's treason against our tradition, this stupid little man's treason against our tradition. And then he was followed by Eisenhower, who was owned by financial interests. (We used to refer to him, because some days he had a good day, some days a bad day, I used to call him "President Eisenhower.")

Then he was succeeded by a fairly good President, Kennedy; but, they killed him. And, that was not done by a lone gunman, that was done by a British intelligence operation. The details are well known, they're just not spoken about publicly.

Johnson was not a bad man, but he was a frightened man. If your predecessor had been shot down by three snipers in the streets, arranged by British intelligence, with collaboration of part of the U.S. intelligence services, you'd be frightened, too. He resigned.

He was followed by Nixon. Nixon was already dead morally by the time he became President. He was given an overseer, who was called Henry Kissinger, a British agent, who was stuck on him from the first day—*before* the first day he was in office. Actually, the Nixon and Ford administrations are properly called the Kissinger administrations. Fundamental changes in U.S. institutions, particularly in intelligence

institutions, in foreign policy, and so forth: a complete change. If you go back in the history of Sudan, you will notice the relationship of Kissinger to Sudan, as to Ethiopia, as to Somalia, and so forth, during that period. Look at those records and you see how U.S. policy in this area *changed* fundamentally under Kissinger. He's a madman. He's still a madman. We hoped he would have retired a long time ago, but we haven't been able to get rid of him.

So, the killing of Kennedy; the Nixon era; the pluses and minuses (mostly minuses) of the Reagan years; the Bush collaboration with Margaret Thatcher, while Bush was vice president, in spreading the holocaust across this planet; and what has followed since, has been a disaster.

The present President, Clinton, is not personally a bad man. I don't give you much for his vice president, Gore, who is not a great man. But, Clinton is a man who thinks, but he has the weakness of pragmatism. He is able to successfully divide what he thinks, from what he does. It's a great American achievement, it's called pragmatism: You think one thing, you have your principles, which you believe in private; but, what you do in public, you do out of expediency, out of short-term, pragmatic expediency. He's a man who believes in compromise. He didn't serve in the war, which is bad, bad for America. Because sometimes, you know, the experience of actually having to fight war, and having to think about justified, as opposed to unjustified, warfare, is an idea which every statesman must have, particularly at the highest level. If a statesman can not think in those terms, then the statesman will negotiate submission, when he should not submit. I'm not advocating war, but one has to know that that dividing line exists between justified war and unjustified war. One has to know the difference between a justified victory, and an unjustified one, as in the case of Iraq, where the war itself was unjustified against Iraq, and the victory was even more unjustified. It was mass murder. It was genocide of the type for which we hung people at Nuremberg after World War II; and, it's *still* genocide, and must be so seen.

So, that's the situation we came to.

British drive to eliminate the nation-state

Now, the agreement between the Soviet Union and the United States, in the wake of the 1962 Missile Crisis—in which Bertrand Russell was a key figure, and the British were the key agents—created a new situation in the world, in many respects. First of all, it created a situation in which the likelihood of general nuclear warfare was believed to be eliminated. There could only be surrogate war or local war. Or, like the war in Vietnam: a diplomatic war, where the diplomats would stop the war, tell the soldiers to wait, while they negotiated. And, then go back and tell the soldiers to shoot any soldiers around, and then quit, and go back to the negotiating table to see if the other side was willing to give way on the bargaining chips.

And, in that way, Indochina was used as a bargaining chip from 1964 to 1971-72, for the United States to negotiate refinements in détente with the Soviet Union, and to negotiate détente with China. Once those negotiations were reached in 1971-72, the war in Vietnam was called off. It was purely a diplomatic exercise for the age in which conflict below the threshold of nuclear weapons was commonplace.

In 1989, the Soviet system began to crumble. And, those in London, and those who thought alike in New York and Washington, said, "Now is the time we can establish what we wanted to do: We can now eliminate the nation-state. Because the factor of the nation-state economy, as a factor in general warfare, is no longer one we have to respect. There will be no general warfare, because *we* control the planet. Therefore, there is no need for an emphasis on scientific and technological progress, and there is no more need for nation-states. So, now we're going to simply eliminate the nation-state and establish, as Bertrand Russell proposed in 1946, a One World government, using the United Nations as the world government, as you saw in the case of Iraq in 1990-91. And we will establish supranational agencies to administer different regions, all under the control of the One World dictatorship, called the United Nations Security Council. Instead of votes—you won't vote anymore—an NGO will come and tell you what your destiny is." You may have seen some of that.

The worldwide economic breakdown

That's the kind of world we have come into. And, as a part of that, they've destroyed technological progress. As a result of that, the United States itself, since the last 25 years, has collapsed to *half* of the per-capita wealth that it had 25 years ago. The United States has not grown, its economy has not grown, in any year since 1970, contrary to all newspaper reports.

That is, if you measure output, in terms of physical output and input, of products, plus education, science, and health care—forget everything else; everything else is pure administration; the inputs to production of products, education, science, and health care.

That is what the productivity of a nation and its population depend upon—its physical productivity. Compare the inputs of this type with the output per capita of labor force, per square kilometer of land area, and per family household. By those standards, the United States has been shrinking at 2% or more per year every year for the past 25 years. The rate of collapse has now accelerated to about 5% per year, or higher.

You have a similar situation in Britain. Now, even an ashcan would shun Britain, it's such a piece of wreckage. Of course, Margaret Thatcher had a great deal to do with this; Wilson started it, and Margaret Thatcher finished off what's left of the place. Europe? Similarly, the rate of collapse in continental western Europe is enormous.

The greatest suffering has been experienced in the developing sector. Despite some parts of the world people like to talk about, there is no part of the developing sector, in general, that is, national areas, which has not shrunk in the past period. Sudan has had a better performance than most developing nations, if you look per capita and per square kilometer, in terms of physical improvements and the welfare of the people, especially recently. It's not much, you say, but, it's something.

In most parts of the world—Argentina has been destroyed. Argentina once had the fourth-highest standard of living in the world. That was about 50 years ago, 55 years ago. It's now been disintegrated. Colombia's virtually destroyed. Mexico has been in a process of collapse, especially since 1982. There has been *no improvement*, but a constant deterioration, in life, in Mexico, every year, since 1982. Peru: weaker. Chile is like a corpse: It's neatly embalmed, so you don't notice the fact that it's dead. Brazil is being destroyed. Other countries, similarly. You know what the situation is in Africa. In Asia, it's generally the same.

The only bright spot, in terms of general growth in the world today, is China. Iran has made some improvements recently; but, China is the only nation that has any really substantial growth per capita. And, the rate of improvement in the past ten years is spectacular; even though there are many flaws in the development, nonetheless, there is development. It's the only nation which has that.

You saw what happened to the former Soviet Union. It's now a wreckage, it's ready to explode. Eastern Europe has been looted, because these people were determined that "never again, would it rise again."

Now, what does this all mean? This means that the world is bankrupt. That is, the rate of production, globally, presently, is not sufficient to maintain civilization. Worse, under this condition of bankruptcy, the rate of indebtedness has spiraled. This started about 1971, with the introduction of the floating exchange-rate system after the 1971 crisis. But, worse, we've gone through a whole series of phases of large speculation, the worst beginning in 1988, after the 1987 stock market crisis, the so-called derivatives crisis.

A financial earthquake

Let me just give you some key figures. Between 1956 and 1970, in the United States, of 100% of our foreign exchange turnover, 70% was accounted for in trade in exports and imports—consistently, plus or minus a half a percentage point or a percentage point each year. Seventy percent, consistently, 1956 to 1970. After 1971, by 1976, the percentile of foreign exchange accounted for by trade was down to 23% or so. In 1982, down to 5%, from 23%. In 1992, down to 2%, from 5%. Today? Less than one-half of 1%.

The British are the worst case. The British have the highest financial turnover, and the worst performance, in terms of

ratio of trade and substantial production to financial turnover. In terms of domestic figures, you get similar results. The rate of financial turnover, inside economies, is zooming relative to a shrinking per-capita value of physical output. This is generally a worldwide trend. The amount of financial turnover per day, today, 365¼ days a year: over \$3 trillion a day in financial turnover. Most of this is pure speculation. The greater part is not shown on balance sheets.

As a result of this, with the shrinking of the base—remember, the base is your assets. The production base is the assets for your national currency. If your national currency is increasing against your production base, you have a disease called inflation. So, the rate of inflation has increased. Not only that, but the assets, the physical assets of production, are not sufficient to cover even the financial debt of countries. And, that's the case in most countries.

Worse, *the financial debt is increasing chiefly to increase financial turnover in areas of pure speculation, where no assets are generated, except nominal ones.* Therefore, we're in a situation, which, as described by Michel Camdessus, both at the G-7 conference, or before the G-7 conference, this past spring, and more forcefully at the September Washington conference: that we are now in a period when entire national banking systems are expected to collapse. Not only that, but *groups* of national banking systems may collapse in a chain reaction, exactly as the case of France, in which *Crédit Lyonnais* is a bottomless pit, into which all of France could be sucked, with nothing left over. The entire state banking system of France is in a condition similar to that of *Crédit Lyonnais*. The German banking system is in a similar situation, because of speculation in derivatives. Italy? You know the story, it's publicized. The United States is in a similar condition.

So, therefore, we're in a period where the characteristic feature is not whether or not there is going to be a financial crisis. We have been in a collapse cycle for the past two years, nearly two years, since about January 1995. The pattern is blowouts. Major financial houses go under. It's an epidemic, it's not an isolated case. Major banks go under. In Japan, one financial institution after another, of trillion-dollar dimensions, collapse: bang, bang, bang! Constantly. In Europe, the same thing is going to happen. We're now in a period like an earthquake period, where you have earthquakes, financial earthquakes: 3, 5, 7, and, ultimately, 10, on the Richter Scale, of financial earthquakes.

When this bubble of speculation begins to unravel, it would take three to five days, and no longer, to virtually *vaporize* every existing financial institution on this planet. Because the collapse of a bubble of that magnitude, relative to an almost non-existent asset base, means you don't have bankruptcy, because there are no assets to peddle off in the bankruptcy. You have vaporization of institutions, whose assets in large part are fictional. Their chief assets are the debt

of other financial institutions that are in the same condition. Therefore, if somebody tries to collect on their assets, their financial assets, they'll find there's nothing to collect. And so, the system simply breaks down. There's no way it can be resolved.

And, in the major centers, most transactions are *not* in currencies. They're in electronic surrogates for currency, where the electronic chain connection breaks down and the system goes into a downward spiral.

So, that's the situation. That's our basic strategic situation. We have come to the end of a system: The system is about 400 years old. It is a system of symbiosis between the nation-state, and the parasite which has been on its back, the oligarchical system of finance capital.

Genocide against Africa

What has happened, therefore, is that the oligarchs know this. There is no leading financial center in Europe which is not discussing the inevitability of a general financial collapse. They're not merely discussing it. You see blood on the soil of Africa, as a result of this perception.

Take the case of Kivu Province in Zaire. A short time ago, a group, a firm in Canada, a Commonwealth firm, headed by a gangster by the name of Peter Munk, called Barrick International, which is the third largest trader in gold-mining assets in the world today, contracted a concession from Zaire, in Kivu Province, covering about 80,000 square kilometers, which contains what was detected to be, by satellite, a large oil reserve, what was identified to be gold mines, already there, and, other strategic minerals.

This is in addition to what people like Anglo American [Corp.] have picked up all over Africa. If you look at the map of Asia, what used to be Soviet Asia, and you look at where the assets are located, in Kazakhstan, in Turkmenistan, and so forth—where is the gold? Where is the petroleum? Where are the other strategic minerals located? Who owns them, today? Who bought them up at bargain prices, in the wake of the 1991 collapse of the Soviet system? Who owns Kazakhstan? And so forth and so on.

Now, what is this Barrick firm? The chief of the board of directors is a former President of the United States, now known as Sir George Bush. . . . Number-two on the board of directors is the former prime minister of Canada, Brian Mulroney. The problems in Kivu Province are *not* caused by "rebels"; they are caused by Museveni, Baroness Lynda Chalker's pet tyrant in Uganda, whose forces first invaded Rwanda, caused a chain reaction of butchery there, which was nothing but the Ugandan Army, which marched into the mountain gorilla preserve, took off their Ugandan insignia, and continued to march, after staging in the gorilla preserve, and *invaded* the country. A straight invasion of Rwanda, with the help of Prince Philip, who controlled the game wardens, otherwise known as mercenaries, who manage the mountain

gorilla preserve. And then they marched on, after doing as much damage as they could in Rwanda, and after taking over Burundi in a coup, marched on, with the help of hired mercenaries, leftovers from the wars in Angola and other places, who are not known for their delicacy in the way they deal with military conflict. They committed atrocities.

And, now we see the march of millions of people, people in batches of 1 million, trekking to death and genocide, and nobody seems to care. Well, who stepped in on the genocide, to *administer* it? Why, the government of Canada, of course! And, to whose benefit is this? Well, it's to the benefit of the Anglophone countries against the Francophone territory, which is the game being played in Africa. It's called "Greater Horn of Africa," which now extends to the middle of Zaire. And, who knows where it'll be tomorrow.

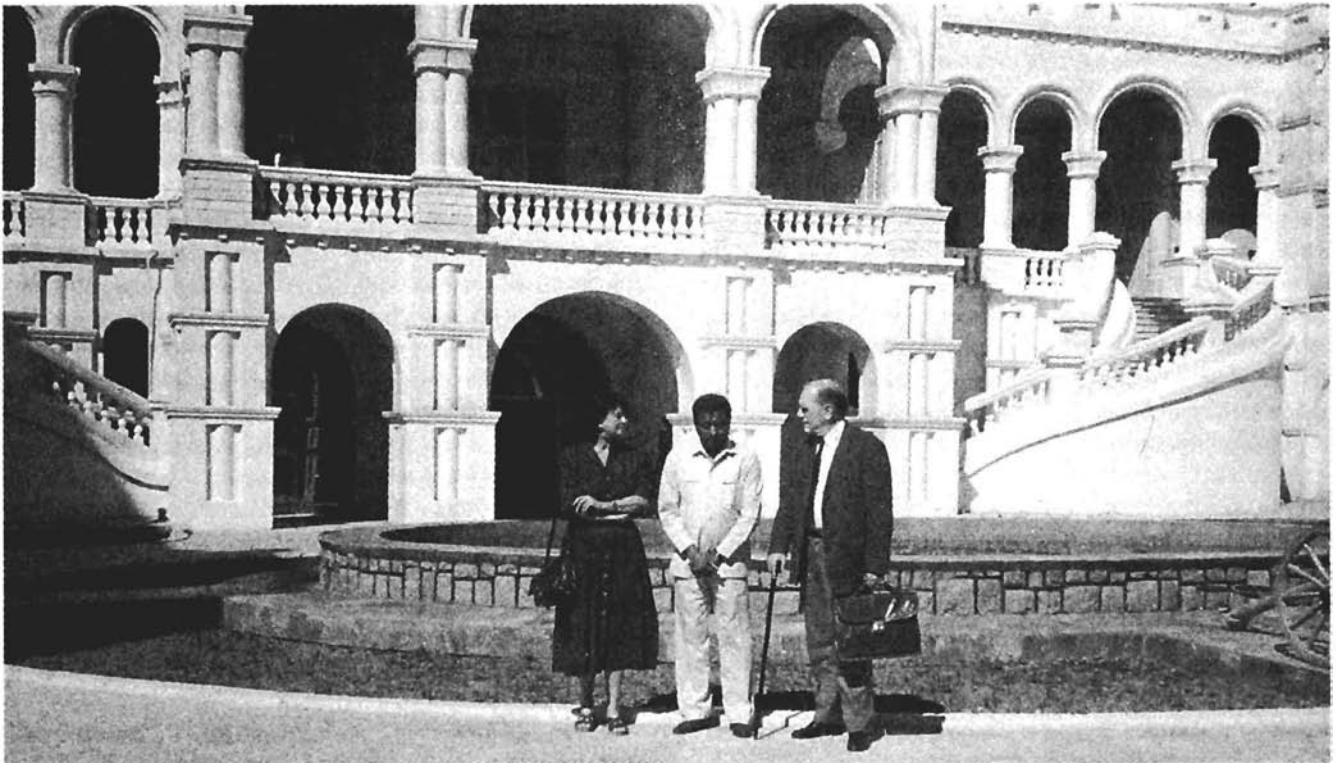
That's the game. Because, if you take the mineral resources of Africa from this part of the world down, the mountainous area here, down through Shaba Province into the South African Shield; combine that with what is controlled by similar forces—including George Bush, again—in Central Asia, and you have a monopoly upon strategic minerals (or at least a near-monopoly) of the world.

If you add to that the British control over the international food trafficking, in a hungry world, that means that on the day that money goes out of existence, the British don't give a damn, because they control the strategic minerals and food supplies, upon which much of the existence of nations then depends. Therefore, they can dictate terms to create the new world order they desire—unless we prevent them. And that is the crux of the strategic situation.

What the U.S. President must do

So, what do we do about it? Well, this poses a problem to the President of the United States, because the solution to a collapse of the international financial system is what might be called, in loose terms, a new Bretton Woods. That means, essentially, that, if the President of the United States supports such a move, it is likely to be made. If the President of the United States does *not* support such a move, it is not likely to succeed, even if made. So, therefore, the crucial position, the importance of the United States, here, is the fact that *I must somehow find a way to make sure that the President of the United States and other forces there are prepared to take this course of action for the sake of the human race as a whole: a new Bretton Woods.*

Which means the use of governmental authority, to declare bankrupt financial institutions bankrupt, and put them into government receivership. The purpose is to save institutions which, although bankrupt, may be serviceable to the nation, because there's banks, and we have the bankers, we have the people there, they can administer new forms of credit, even if they're bankrupt, under government rules. And we may need those banks to help distribute credit.



Lyndon and Helga LaRouche with Dr. Shingeti, representing Sudan's Office of the President, in front of the Presidential Palace in Khartoum, December 1996.

We also must assure social stability; therefore, we must intervene with bankrupt financial institutions to assure our social stability. We must always protect the ongoing operations of firms and farms which are essential to national security, and national stability. But, we must do something else: We must quickly create a new international monetary, credit, and trade system, which is why I use the term "new Bretton Woods."

We must quickly establish currency, credit, new trade rules which are protectionist in nature. You can not provide for economies under free-trade conditions. You must have protection for essential industries. Because the objective is to have the governments process credit through special financial channels to make sure the credit goes into, not only maintaining the flow of operations of the essential industries, but also to generate new ones. We must go into a global expansion. We can do that.

But, we need the nation-state to do that, and we must have guarantees that those industries will not be victims of dumping, foreign dumping; therefore, we must have protectionist rules. And, international agencies must recognize the need for protectionist rules, and grant them.

We must have stable parities of currencies, otherwise, we can not have cheap flows of credit and investment across national lines. Because, if currencies are fluctuating wildly in

value, as we have seen since 1971, you can not have equitable relations in international financial and trade relations.

So, therefore, we must scrap the IMF conditionalities; we must scrap the free-trade agreements; we must scrap the WTO; we must scrap a great number of other things; and, go back to the kind of system, in many respects, that we had prior to 1967, prior to the crisis in pound sterling of November 1967, the Wilson crisis.

And, we *can* do that, and we *must* do it; because, in doing something like this, which is revolutionary in its implications, and must be done on short notice, you must appeal to valid relevant precedents in order to get quick agreement. You must take something which is proven to work in the past, and utilize that as a model for what you're going to do now. On that basis, you can get panicked people to agree to do it. You've got to get people to believe in lifeboats when the *Titanic* begins to sink. That sort of thing.

A program for development

Now, what do we do, to revive the world economy? What are the prospects? Well, you generally find that when you come to a crisis, the thing that will get you out of a crisis, is something that's always there, whose value you may not have appreciated. We approached this crisis of 1989-90, my wife and I, and others, with a proposal which became known as

the “Productive Triangle” proposal. This is based on the fact that the area from Paris, to Vienna, to Berlin, and back to Paris by way of Lille, represents an approximate triangular area in Europe, which, for historical reasons, has the greatest concentration in machine tool potential on this planet.

The idea was to use that, to energize and activate that, in order to feed technology through what we call spiral arms, like the spiral arms of a galaxy, across Eurasia, and down into Africa and elsewhere, to use the technology concentrated there, in order to foster rapid infrastructure and industrial development and agricultural development, throughout the world, concentrating on corridors which would be approximately 100 kilometers wide.

That is, if you build a railroad, you put a pipeline beside it, and a power line beside it, or a system of power lines beside it, you’ll find about 100 kilometers, or 50 miles on either side of that spine, is logistically a very suitable area for high-density development. So, rather than trying to spread development over a wide area, you concentrate it along the line where you have the best logistics, and can maintain it. By building these beltways, then you create the conditions within the territory as a whole, to build *new* corridors, and go sideways, and criss-cross your territory, and develop it, rather than the random kind of thing that’s done in many areas.

So, we made that proposal. The idea has been taken up in a large way in China, which is committed to what it calls the Silk Route or the land-route Silk Road of development, across Eurasia. In the past several weeks, Sharma, the President of India, met with Jiang Zemin, in a series of meetings, and it was announced that India would provide support for a *southern* part of the land-bridge, which is the part that runs from Jakarta, up through Malaysia, through Burma, into India, across Pakistan, up to Teheran, and across to Cairo. That’s the route.

Iran has already collaborated with China significantly in this. The first Silk Route connection to Teheran and to the Indian Ocean, was established in collaboration between China and Iran. That was the subject of the reports at a May 7 conference that Helga attended, this year, in Beijing. Pakistan has recently made some moves to clear the pipeline running through Pakistan into India. Iran is extremely interested. Erbakan in Turkey, who is a very interesting fellow, in my view, has made moves in that direction, following, actually, in the footsteps, so to speak, of Mustafa Kemal Ataturk, the first man to defeat the Entente Cordiale, at the end of World War I, who is a hero of mine, for that reason, among others.

So we have a potential, in the fact that large-scale projects, which are global, exist, in which most parts of the world can directly participate; into which consolidated credit can be issued, benefitting the countries along the routes so indicated: a joint project to unite the human species, to get out of the mess which has been created by the legacy of a collapsed society.

The U.S. political situation

Inside the United States, from this standpoint, we have a problem, I’ll deal with this finally. Then you can ask questions about other matters that have been raised. But, as I say, President Clinton is a fellow toward whom I have friendly inclinations. He’s sort of like a son, a prodigal son, you might say, at times, who we wish the best for, but you *do wish* he would come home, and get out of the places he’s cohabiting now. He’s a man of intellectual capability, of sorts; he is unfortunately a baby boomer, doesn’t understand what my generation understood from bitter experience. He’s got a vice president who is a problem, as far as I’m concerned, a very serious problem for this part of the world, as well as elsewhere.

And, an unfortunate thing happened: We were going to win, retake, the lower house of the Congress, the House of Representatives. It was assured that we could do that, no problem, and probably take the Senate back as well. But, unfortunately, some people in the Democratic Party wish to have Al Gore as President of the United States in the year 2000. His chief rival is the minority leader, the leader of the Democrats in the House of Representatives, Richard Gephardt. Now, if the Democrats had won the House of Representatives, Richard Gephardt would have replaced Gingrich as Speaker of the House of Representatives. Under those conditions, the policies of the United States would *change* from what they have been recently, and Gephardt would be the most likely candidate for nomination, and election, come the year 2000, which would change the policy of the United States in the meantime.

So, therefore, a section of the Democratic Party, preferring Gore to Gephardt, *literally threw* the Democratic election for the lower house of the Congress, in order to ensure that Gephardt would not be Speaker of the House.

This has created a mess. The margin in the Congressional elections between the Democrats and the Republicans, is the Republican vote is about 10,000 more votes than the Democratic vote. And this is the result of the Democrats throwing, deliberately throwing, the elections—or some of them—in order to prevent Gephardt from becoming Speaker of the House. This, nonetheless, creates a problem for us, particularly because the President is pragmatic, and the President will tend to compromise with the Republicans, when he should fight them. Because if the Republicans control the policy—that is, the Gingrich-type, Lott-type Republicans, the new radicals—then the world is in a very serious situation. Because the crash is already on. The date the ship sinks is not certain, but the ship *is sinking*, and it will sink. Nothing can save the present world monetary system. It can not be saved. The present world financial system can not be saved, it’s gone.

The question is, do we have a lifeboat? That’s the only important question. If we don’t have a lifeboat, *we’re in trouble!* And, therefore, the role of the United States Presidency becomes crucial. . . . Madeleine Albright is bad news—you may know that already. Other people are bad news. Anthony

Lake is not as bad as Madeleine, but nonetheless, for Sudan, he's bad news. He's bad news for Africa, in which he's a specialist, ever since he was trained under Kissinger. So, that's not surprising.

So, we have to fight that fight in the United States, in large degree. In the meantime, I would hope that there are many things that we can do, including things which might, in the short term, be useful to Sudan, particularly over the coming six weeks, whose significance is not unknown to you, which might adjust things in a better way.

But, down the line, we've got to make a fundamental change. I would hope that the fundamental change would come when the shock of some of the minor earthquakes causes people around the White House and elsewhere, to perceive that they've got to stop the nonsense in which they're presently engaged, and get serious. Because what we need in the United States, is a set of plans and procedures, to go into action the minute the crisis creates the political situation in which you can get popular support for the kind of actions which must be taken. And, also, *other nations*, including Sudan, of course, even though it's not a big player in the world financial market, must be prepared for this crisis, and must have measures taken, on its drawing boards, ready to act, at the time of crisis, to protect the nation and to collaborate with other nations who are friendly to this purpose, in measures to defend this part of the world from the shocks of this type of crisis.

So, thus, the political situation in the United States, becomes of a strategic significance. And minutiae, such as the ambitions of the Gore supporters as against the possible candidacy of Richard Gephardt, become a strategic factor in history.

Sometimes, apparent accidents become significant; but they become significant, not because of what they are in themselves, but because, as I said at the beginning, of *their situation*, that is, *the situation that they occur in*. And, as you might imagine, a man of my age and activities and capabilities would act like a senior figure in this picture, and try to do what we can from within the scenes, and behind the scenes, to orchestrate events globally and in the United States, to cause the things to happen which *must happen* to get us out of this mess.

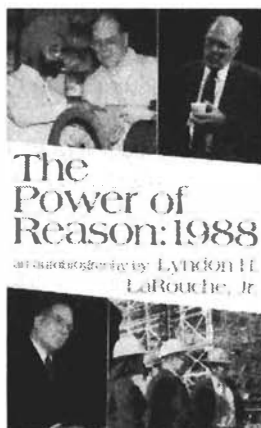
The problem is not merely to solve the mess. I do not regret the passing of a 400-year rotten compromise between the oligarchy and the nation-state. The sooner we get rid of the oligarchy in the crisis, which is necessary—and, like justified war, to get rid of that oligarchy, I welcome it. I welcome the revolutionary implications of this crisis. But, we will not enjoy the revolution unless we succeed. And, therefore, we have to prepare the measures we must take to get us through the crisis.

If we get through the crisis, we will be rewarded by having a better world in which to live, than we have had before. And, that, I think, sums up, from my view, the strategic situation at present.

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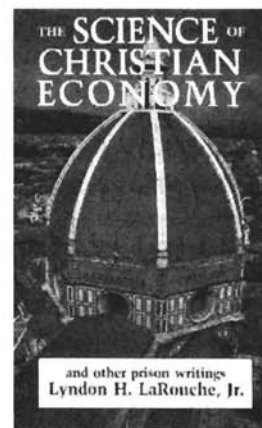
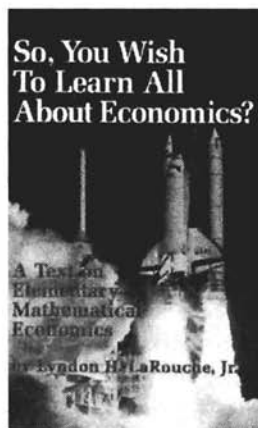


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