

easily documented. That's fact.

The bankruptcy was aggravated by putting in a man with the curious name of Cavallo—which I would translate as Cabala—who played a key role in aggravating the damage beyond belief, with his administration and similar administrations. But essentially, the guilty party, is, essentially, the IMF system, in the way the floating-exchange-rate system was administered in respect to the countries of Central and South America. And, Argentina was a special target for destruction, because Argentina was, in the last century, at various points, third- and fourth-ranking in the world in standard of living, productivity, and so forth. Despite all smears, it was a great economy. And, therefore, that is an insult to those in North America, who think that South Americans have to be stupid and incapable. Therefore, Argentina is a striking example of what a country in South America is, potentially. And it's hated for that reason.

But, the essential thing comes back—the same, basic problem: The IMF caused the bankruptcy of Argentina. A bankruptcy, which presently, if the present conditions are enforced, Argentina will be biologically destroyed, as a nation! And, maybe in a horrible way.

So, therefore, if there is any perception, of a principle of natural law, operating in the minds of the people of the United States—in the President's, and so forth—the point is: Argentina must be given the liberty to reorganize itself in bankruptcy, in the necessary way. That would mean: number one, the creation of a new currency, outside the existing system, and with no ties, or obligations, to the existing system. The currency would be largely used to ensure domestic security, economic security, and so forth. You would have to accompany this, with a series of very strict, protectionist measures. And you would have to get into a complex of trading agreements—long term and medium term—with adjoining countries, such as Brazil (you have some facilities for this, already), and others.

And there must be a general understanding, that Argentina must be given the opportunity to work through such an agreement. We can no longer be concerned, with those who are responsible for administering the destruction of a nation. That is a crime! A moral crime! If you impose upon a nation, policies which bankrupt it, which threaten its people biologically, which threaten genocidal effects, then your financial claims, on account of that system, have no moral authority, per se. Therefore, your claims are subject to reexamination, from the standpoint of bankruptcy proceeding, under the principle of the General Welfare.

So, nations must take a view that the principle of the General Welfare must be applied to the bankruptcy of Argentina. That Argentina must declare itself bankrupt, and declare that its government is taking, as a sovereign agency, responsibility for reorganizing its affairs. And seeks the cooperation of other sovereign countries; and bringing things into a durable

order, in the medium to long term. As part of that, Argentina requires a new, independent currency, not contaminated by the corruption of any of the previous currencies. And, therefore, things should stand at that.

But, the context in which that decision should be made, also has to be considered. The entire system is bankrupt! Argentina is not an isolated case: The entire system—including the United States—is bankrupt! Including Europe, is bankrupt! Including Africa, is more than bankrupt! The only non-bankrupt nations are a few in Asia, like China, and India, and so forth. They're not bankrupt. But, the rest of the world, is, actually, essentially, bankrupt—as a Japan bankruptcy would show, in terms of the United States. So, therefore, since we're all in a bankrupt system, what we have to think about is the set of rules, under which we reorganize ourselves in bankruptcy, in order to create a recovery from this bankrupt condition. Any bankruptcy. In the case of Argentina, we must apply that general policy-perception to Argentina, and say, "Go ahead, Argentina. We will now cooperate with you, in your bankruptcy reorganization. Go ahead: Create a new currency; manage it well; take whatever protectionist measures you have to do; discuss it with us; and we will try to work out ways to cooperate with you, in the recovery of your economy."

That is the only way, in which this thing can be approached.

## LaRouche on Argentine Nationwide Radio, For National Bank Strategy

U.S. Democratic Presidential pre-candidate Lyndon LaRouche was interviewed by Argentina's Radio Nacional, on its "1110" program, on Jan. 29. Radio Nacional broadcasts throughout the country, and over the Internet. The full interview follows:

Q: Some of the media, including *Ambito Financiero* and others, have characterized you as being in the ultra-right-wing. In the case of Argentina, you're proposing the formation of a National Bank. Could you say exactly how that would work? LaRouche: Well, this is based on the same principle as proposed by the first U.S. Treasury Secretary, Alexander Hamilton. That, contrary to most Twentieth-Century U.S. practice under the Federal Reserve System, the U.S. Constitution prescribes that the Congress has the unique sovereign responsibility to authorize the issue of currency by the Executive branch of government; that is, by the President. Now,

this has special significance under present world conditions, and it's a question of life and death for the economy of Argentina.

What is obviously needed, is to put the world economy through bankruptcy reorganization. This would mean that leading governments should support the right of the government of Argentina to conduct such bankruptcy reorganization of its own national economy. This would mean that the government of Argentina would issue a new currency to initially be used for internal purposes. The purpose is to promote full employment in useful and essential categories of infrastructure and industry, and thus to bring the total product of Argentina above the level of the costs of maintaining that population. This cannot be done without a large issue of credit by the government of Argentina to fund employment and investment in industry and infrastructure. And this is what must be done with the world at large today.

Q: Does your proposal mean the elimination of the rest of the banking system, or could the two systems co-exist simultaneously?

LaRouche: Well, the banking system is bankrupt, but the government must have the banks functioning, even if they are bankrupt. Banks have an essential function of deposit and circulation of credit. If any bank has any usefulness at all, it must be preserved in that function, even if it is bankrupt. We must, to the extent possible, maintain the traditional relationship of cooperation between the banks and the people, and the banks and the producing firms.

Q: Does your proposal mean the nationalization of the banks, as much of the left around the world proposes, and how does this square with the fact that you are often referred to as an ultra-right-winger?

LaRouche: Well, the "ultra-right-winger" is simply a slander spread by the right-wing of the United States. That's the only place it comes from. As a matter of fact, they are fascists. But that's not important.

Look, nationalization can mean two things. The nationalization I'm proposing is the nationalization of the process of putting the banks through bankruptcy reorganization, and the creation of a National Bank, a sovereign bank of the state, to coordinate that process.

Q: Returning to political questions, would your friendship with Mohamed Alí Seineldín indicate support for that type of political orientation?

LaRouche: I don't know. I have great personal affection and respect for Colonel Seineldín, and to the degree possible, I would wish to be able to discuss such matters with him. But, as you know, we are limited in our communications. So I can only infer the thoughts of Colonel Seineldín, though I have great affection for him.

Q: And would you be willing to support a movement to bring Seineldín to power, as some rumors have suggested?

LaRouche: I have not any such plan. I think that Seineldín should play a key role as a hero of his country, but as in the United States today and in most of Western Europe, we don't have a political party that's worth anything. My concern, as in the United States, is to suddenly create new parties which represent the best people of the nation, to bring nations out of these troubles.

Q: Thank you very much, Mr. LaRouche.

## Mekong Nations' 'Linking' Strategy Pays Off

by Gail G. Billington

The six countries grouped in the Asian Development Bank's (ADB) Greater Mekong Subregion (GMS) have made progress in recent months toward their objective of an integrated infrastructure grid for road transport, and in reaching agreement on taming the Mekong River for improved water transport and flood control, despite increasing evidence that the "Asian Contagion" that hit the region in 1997 is about to be repeated. The greatest progress has come in the improved bilateral and multilateral collaboration among these countries for the greater, regional good. If so, it could indicate that the demise of the "importers of last resort" in the U.S. and European markets is encouraging thinking in the direction of "interior development," as developed in LaRouche's "Eurasian Land-Bridge" global reconstruction plan.

The six GMS members are Yunnan Province (China), Myanmar, Lao People's Democratic Republic, Thailand, Cambodia, and Vietnam. All but Yunnan Province are members of the ten-nation Association of Southeast Asian Nations (ASEAN). However, ASEAN's ongoing "Plus 3" dialogue with its larger Asian neighbors to the north—China, South Korea, and Japan—has been and will continue to be crucial to reaching the objectives outlined in the GMS regional development plan. Japan is a major source, and China is emerging as an important source, of funding.

The ADB's GMS scheme was established in 1992, adopting a 25-year time frame, or 2017, for its realization, which is in line with ASEAN's "Vision 2020" target, by which date member-nations hope to have graduated from "developing" to "developed" nation status. The GMS is one of the most productive agricultural regions in the world, including two of the world's most important rice-exporting nations, Thailand