
Dennis Small

Ibero-America Turns to LaRouche

Dennis Small is Ibero-America editor of EIR. His presentation included videotape of two historic events in terms of the “LaRouche factor” in that continent: the 1982 speech by Mexican President José López Portillo to the UN, proposing debt moratoria for Third World nations; and the speech of December 2001 by Argentine President Adolfo Rodríguez Saá in the Argentine Congress, announcing suspension of debt payments. Only representative quotes are included below.

Let me set the stage for this part of the discussion by taking you back 20 years, almost to the day, to August 1982, which was the month when Lyndon LaRouche issued a book-length document called *Operation Juárez*. It was a result of, or sequel to, a series of meetings that he’d held in Mexico in particular. In May 1982, LaRouche had met with the then-President of Mexico, José López Portillo, and had laid out to him the total existential crisis that the global economic and financial system was facing, and had laid out what the alternatives would be. As a result of subsequent discussions in Mexico, and requests coming to him directly, Lyn wrote *Operation Juárez*,

which laid out exactly what this picture was.

The central point that LaRouche made there, was echoed in a writing of a few years later, a special introduction to the 1986 book *Ibero-American Integration*. I want to read you this quote, because it lays out exactly where we stood then, and today. LaRouche wrote:

The governments of Ibero-America will be soon confronted with saving their nations from the chaos which a collapse of the international banking system will bring. When the imminent banking collapse occurs, those governments will be confronted with political decisions which must be made within days.

There will be no time available for scholarly commissions to spend weeks or even months in constructing long-winded academic treatises. Governments must act immediately, within days, in decisions which have revolutionary impact on existing banking institutions and monetary agreements, decisions of broad and profound scope, and of great pungency and substance.

What LaRouche referred to then, as “soon,” is *today*. I want to draw your attention to the case of Argentina, in particular, which, over the course of the last eight months—the eight months of 2002—starting from a position of being one of the most developed countries in Ibero-America for sure, and among all developing sector nations, one of the most advanced—in the sense of its industrial capabilities, skill levels of its workforce, education levels, health levels, basic potential for actual economic development, this country has been destroyed. It is a country once known as the land of the



President José López Portillo addresses the United Nations, Oct. 1, 1982. “We cannot continue in this vicious circle,” he said, with reference to the economic crisis, “since it could well be the start of regression to the Dark Ages, with no possibility of a Renaissance.”

pampas, of wheat and beef, and so forth. Now poverty has spread across the country. There is starvation occurring. There is indigence, extreme poverty, total destruction.

It's a stunning process. I was just in Argentina in May of this year; people from Argentina now tell me, "Oh, no; May was good! You should see it today!" And comparing Argentina in May of 2002, to the Argentina which I knew over the 1980s: it's an absolutely shocking situation. Imagine yourself as being in an elevator free-fall. That's what Argentina is like. People have lost their sense of mooring, and the country is disintegrating.

Argentina is a very good example. Because there, as globally—as in every country that LaRouche ticked off earlier today, and every country around the world—either we will have a New Bretton Woods, which will be organized around LaRouche's proposals; or we will have, because we are now already having, a New Dark Age.

The IMF policy which is bringing this about—exactly as in the case of NSSM-200, as Jeff was describing—is intentional. It's crazy; it's lunatic; but it's exactly what they intend. They intend the war; they intend genocide. And as Thomas Malthus would have been very quick to admit, perhaps the best way to bring about genocide and population reduction, is not even so much by war, but by means of economics.

This region, of course, is an area of tremendous economic potential, of which I will also try to give you a sense.

López Portillo's Call to Action

LaRouche met with López Portillo in May of 1982. The attack on Mexico, which LaRouche warned him of, occurred over the ensuing months. In October of 1982—in fact, on Oct. 1, 1982—López Portillo addressed the United Nations General Assembly, and delivered a historic speech. In the early part of that speech, he said, "We cannot continue in this vicious circle, since it could well be the start of regression to the Dark Ages, with no possibility of a Renaissance."

As you can see, 20 years ago, some people "got it," when LaRouche talked about the nature of the crisis.

Now, in that same speech, López Portillo went on to issue a call to action. I want to show you a video clip, about three minutes long. It's in Spanish, and I'll translate for you as he speaks.

Today, Mexico and many other countries of the Third World are unable to comply with the period of payment agreed upon under conditions quite different from those that now prevail.

Payment suspension is to no one's advantage and no one wants it. But whether or not this will happen is beyond the responsibility of the debtors. Everyone must negotiate seriously, carefully, and realistically. The international financial system consists of several parts: lenders, borrowers, and guarantors; and it is connected with those who produce and those who consume, those



Young people scavenge for food in Buenos Aires. Today, 70% of Argentina's youth, 14 years and younger, are officially classified as impoverished—in a land which was once a breakbasket for the world.

who buy and those who sell. It is everyone's responsibility and it must be assumed by everyone. Common situations produce similar positions, with no need for conspiracies or intrigues.

We developing countries do not want to become vassals. We cannot paralyze our economies or plunge our peoples into greater misery in order to pay a debt on which servicing tripled without our participation or responsibility, and with terms that are imposed on us. We countries of the South are about to run out of playing chips, and if we cannot stay in the game, this will end in defeat for everyone.

I want to be emphatic: We countries of the South have not sinned against the world economy. Our efforts to grow in order to overcome hunger, disease, ignorance, and dependency have not caused the interna-

tional crisis. . . .

Global negotiations should begin immediately and should be conducted seriously and with every intention of reaching agreement. World peace and security are threatened today more than ever. We must safeguard them at any cost. Any solution or any concession is preferable to the alternative. We cannot fail. There is cause to be alarmist. Not only is the heritage of civilization at stake, but also the very survival of our children, of future generations, and of mankind.

Let us make what is reasonable, possible. Let us recall the tragic conditions in which this [United Nations] Organization was created and the hopes that were placed in it. The place is here, and the time is now.

López Portillo was saying that what humanity was facing, was exactly the alternatives that LaRouche is talking about today.

Almost 20 years later, in December 1999, the same José López Portillo shared a podium in Mexico City with Helga Zepp-LaRouche, and here is what he said:

When we would go to the international bodies, they disdainfully did not take into account, either our political problems, or our social problems; and by dint of their rejection of the values of our revolution, we became accustomed to disdain it, and even to forget it. . . .

Doña Helga—and here, I wish to congratulate her husband, Lyndon LaRouche. It is now necessary for the world to listen to the wise words of Lyndon LaRouche. Now, it is through the voice of his wife, as we have had the privilege of hearing.

Now, it will not surprise you that Lyndon LaRouche was invited, earlier this month, to a conference in Guadalajara, Mexico organized by the MSIA, the Ibero-American Solidarity Movement, and he was there scheduled to share the speakers' platform with López Portillo. López Portillo was unable to go because of ill health. LaRouche was unable to go, because he was denied security by Mexican officials, on orders of a standing imposition from the United States State Department, that, after what LaRouche did in 1982 in Mexico, he would never again be allowed into Mexico—as LaRouche characterized it in a public statement. You can probably imagine what that meeting in Guadalajara might have meant. [Some speeches from that conference appeared in *EIR*, Sept. 6, 2002.]

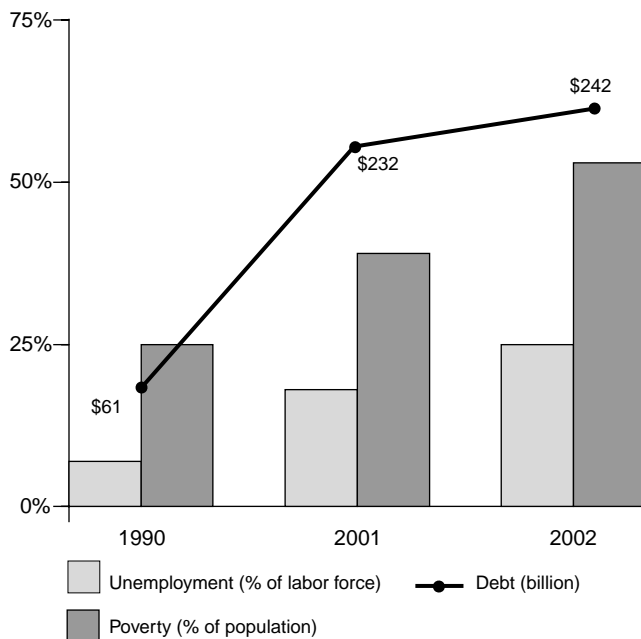
That is what the State Department's intention is. We'll see about that.

Argentina Dying of Dollarization

Now, on the Argentina case. There are probably no better words to summarize the emotional impact of what is happening in Argentina, than those of retired Maj. Adrián Romero

FIGURE 1

Argentina: Unemployment, Poverty and Debt



Source: EIRNS.

Mundani of [retired Col. Mohamed Alí] Seineldín's movement. These are his words when he shared a platform with LaRouche in São Paulo, Brazil, at a recent meeting there on economic integration [see *EIR*, June 28, 2002]. He was referring to what Lyn has been telling people for two decades, at least:

Everything we have heard from Mr. Lyndon LaRouche and his collaborators for so many years, is no longer the theory of a thinker, which one could subscribe to or not. Today, this is reality. . . . We Argentines have had the sad privilege of being the tip of the iceberg—of an implosion, of a catastrophe toward which we are advancing, and we think there is time, but there is no time.

We Argentines woke up one day, and we had lost . . . everything. . . . Argentina is dying.

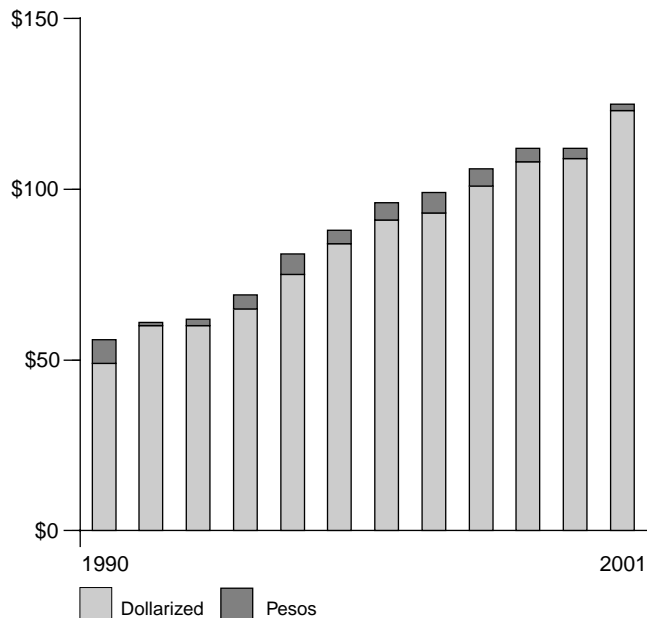
What was he referring to? In **Figure 1**, the upper curve there is the real foreign debt of Argentina. The three points represent different time periods. The first is 1990. Then we jump to the year 2001. And the next one is just 6-8 months later, in mid-2002. You can see that the debt has been rising.

But the other thing that has been rising is the dark-colored bar, which is poverty. In the last year alone, the percentage of the population of Argentina which is officially impoverished,

FIGURE 2

Dollarization of Argentina's Public Debt

(Billions Pesos)



Source: EIRNS.

has jumped from 35% to 53% of the population today. Official unemployment, which is the light-shaded bar, has jumped from 18% to 25% of the labor force in approximately eight months.

On this issue of poverty, 53% is the national average. In the northwest of the country, 73% of the population is impoverished. Of the impoverished, half are considered indigent. Poverty means that they don't have the minimum income required, to purchase the minimum market basket of consumption. *Indigent*, or extremely poor, means they don't have the money required to buy food. So, one-half of that 53%—about 26% of the Argentine population—is hungry. Of the youth, 14 years and under, 70% are considered impoverished. Seventeen thousand people *per day* become poor in Argentina.

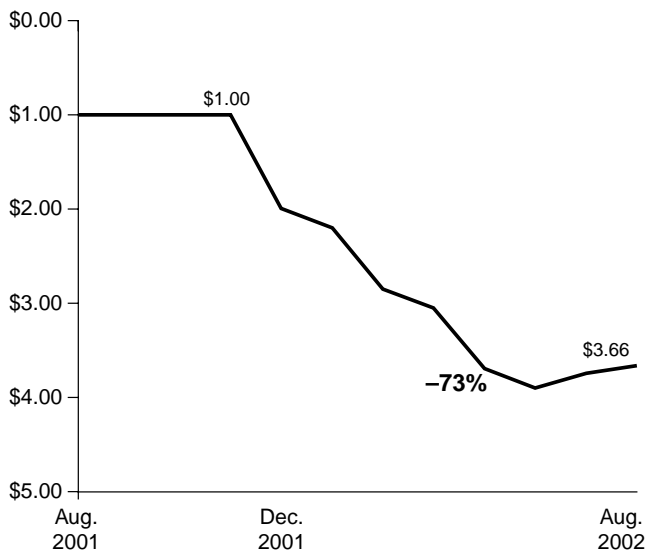
The situation with inflation is reflected in the cost of basic items: In the first quarter of this year, the market basket cost rose by 42%. Medicine rose, so far in 2002, by 200%.

What has happened in Argentina, is that people have taken to picking over garbage heaps for food. Remember: this is Argentina. This is the land of cattle, and the *pampas*, and grain. Argentina today produces 2 tons of grain per capita per year. With 1 ton of grain per capita, you can feed a person excellently well—about 3,000 calories per day. So, it's not a problem of production. Argentina produces twice as much [grain as it needs], but it is a country that is starving. And the

FIGURE 3

Argentina: Devaluation of the Peso

(Pesos/Dollar)



Source: EIRNS.

question, of course, is why?

What's happening on these garbage heaps? The issue being debated in the Argentine press today, is, how many *more* people are having to pick over the garbage heaps each week. And the discussion is that, unfortunately, today, there is not enough garbage to go around!

Major Romero Mundani tells a story, also reported in the Argentine press, of children dying of starvation, and the case of one young girl who, in her mother's arms as she was dying, said, "Mamá, is there food in Heaven?"

The Moment Argentina Could Have Been Saved

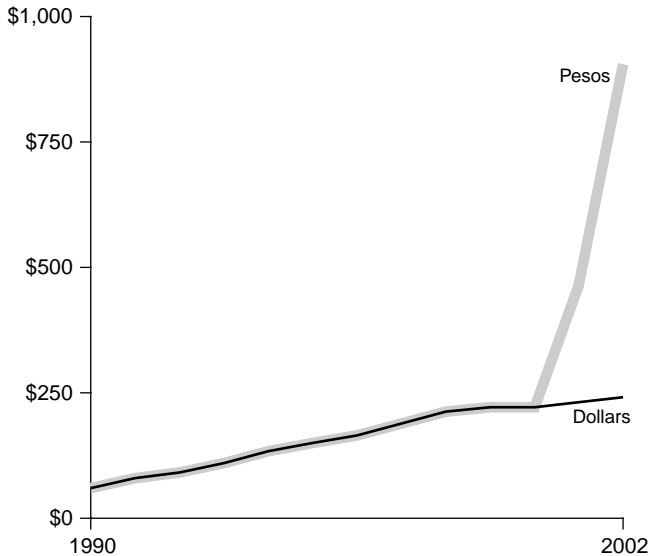
Why is this happening? It's happening because the bankers, who are trying to collect the debt, cost what it may, are hell-bent on doing this, and they are imposing genocide. Take a look at the next slide (**Figure 2**) to get an idea of how this works. This is "bankers' arithmetic," as we've seen in other forms. Argentina's debt has become progressively dollarized over the course of the last decade. Today, 99% of the public debt of Argentina is dollar-denominated. What does that mean? When there is a devaluation of the currency, you had better watch out (**Figure 3**). From December 2001 until August 2002—in eight months' time—the Argentine peso has been devalued by 73%.

What does this mean for Argentina's foreign indebtedness? Well, since they're so heavily dollarized, as you can see in the next slide (**Figure 4**), their debt, in pesos, has skyrocket-

FIGURE 4

Argentina's Foreign Debt

(Billions)



Source: EIRNS.

ted. That's the upper line. The lower line is the dollar debt. What Argentines have to pay, of course, is what the debt is valued at in their own currency, which comes from their own economy. In the twinkling of an eye, that amount changed, such that the \$242 billion debt (which was worth 242 billion pesos only one year ago) is now equivalent to 905 billion pesos, in their local-currency equivalent.

Some people would say, with a certain tone of pessimism, "Well, this was in the cards for Argentina; there was really no way around this, it was bound to be." This is not true. In December 2001, when Argentina was teetering on the brink, when it was in that phase-change that LaRouche described in the quote I read at the outset—that period of a few short weeks and days at most, when people can make decisions to change the course of history—some very interesting things happened. I want to show you what happened when Adolfo Rodríguez Saá was inaugurated President of Argentina, sworn in on Dec. 23, 2001. He gave a speech in the Congress—it must have been midnight at the time—in which he addressed what he was going to do in the country.

We are going to take the bull by the horns: We are going to speak of the foreign debt. First, I announce that the Argentine state will suspend payment on the foreign debt.

Now watch what happened with the Congress. The entire place went crazy. They all rose to their feet cheering, and then



A joint rocket launch of Brazil and China demonstrates the potential of Ibero-America to expand the Noösphere, for the benefit of mankind.

started chanting, "Argentina! Argentina!" Rodríguez Saá himself was stunned by what he had unleashed.

He was out of office within a week. Death threats, and he was sent packing. But under those circumstances, it was, in fact, a real possibility that Argentina might have stuck to that policy course. And—to answer your question in advance—yes, people close to Rodríguez Saá, in his immediate environs of family, friends, and advisers, were, and are, subscribers to *Executive Intelligence Review*.

The same type of situation as I've described, briefly, for Argentina, prevails in Mexico, in Brazil, in every single country of Ibero-America. We can document that in greater detail in the discussion, as may be necessary.

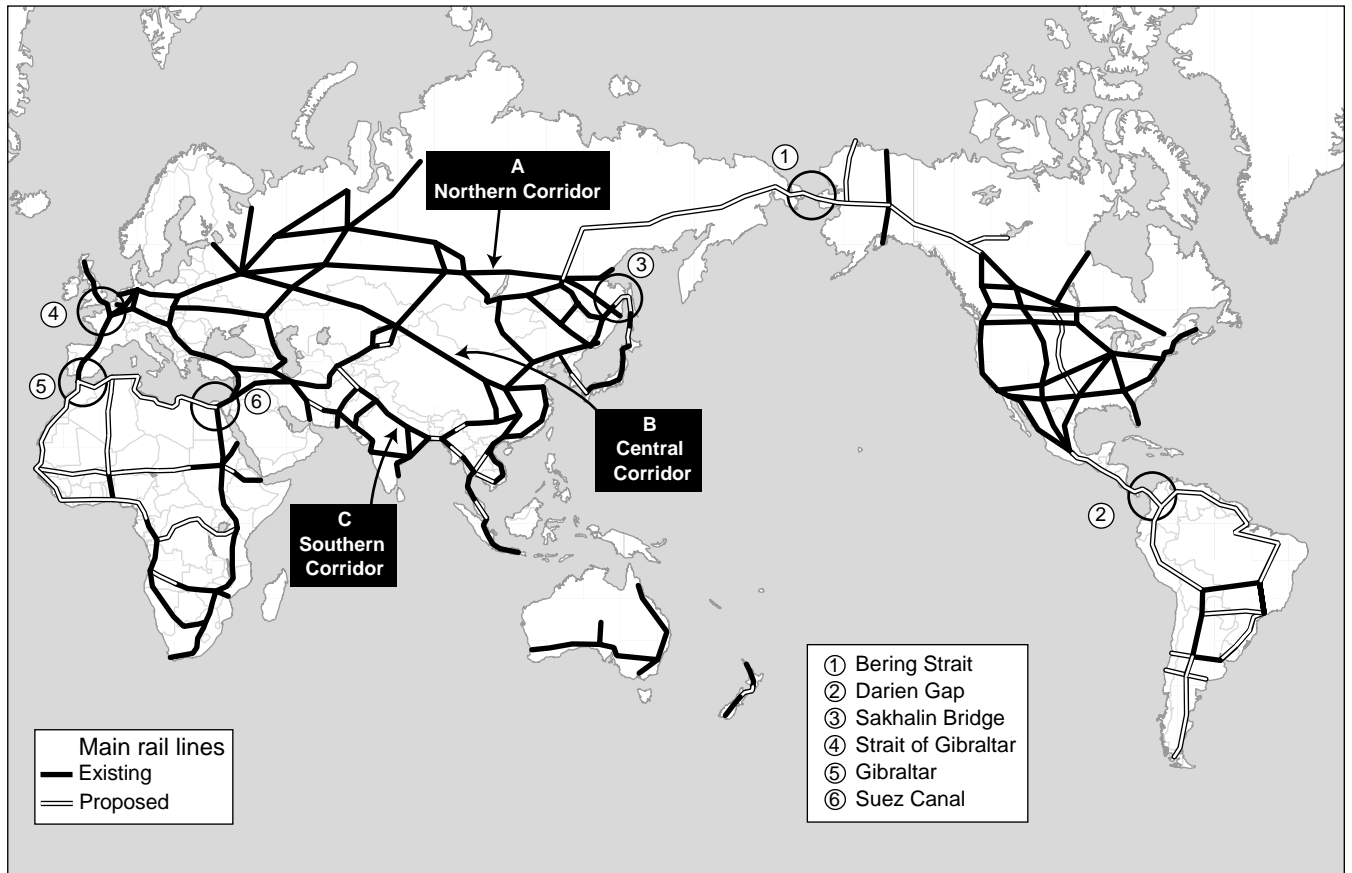
The Case of Fujimori's Peru

But what I want to do at this point, is to give you an idea of what the potential is for actual development and growth in this area. Because the irony of all of this—the thing that is so infuriating—is that none of this is necessary; not just in Argentina, or in Ibero-America; nowhere in the world is this type of poverty and destruction required.

I want to quote for you what Alberto Fujimori, then President of Peru, said on Sept. 1, 2000, in a speech that he gave

FIGURE 7

World Land-Bridge



at a summit meeting of South American Presidents in Brasilia, Brazil:

Seen from a satellite, the South American subcontinent is enormous, more than 20 million square kilometers which contain resources which make us, united, the number-one mining, fishing, oil, and forestry power in the world.

However, there below, in that so generously endowed portion of the planet, we also see great areas of coca or poppy cultivation, immense belts of urban misery, unemployment, endemic diseases, precarious education, terrorist violence, etc., etc.

And, as if this were not enough—and this is not detected by satellite—we have to add to this already somber panorama a sizable and heavy foreign debt weighing upon the shoulders of our peoples, and whose principal, according to conservative data, has been paid several times, over the course of these last 25 years.

We are 450 million South Americans, but 200 mil-

lion of our people live in poverty, in precarious living conditions, reminiscent of centuries past. Something has gone wrong; we are not on the right path, and perhaps it is necessary to rectify this. . . .

We South Americans are no less capable than other peoples of the world, who are achieving progress. Therefore, our goals must be audacious and our actions sufficiently efficient to turn our dreams into reality.

It is for that reason that, perhaps ingenuously, or as a dreamer, I would like to think that this first meeting, convoked by [Brazilian] President [Fernando Henrique] Cardoso, would become the birth certificate of the United States of South America.

Now that was Sept. 1, 2000. A week later, Fujimori spoke at the United Nations, and talked about the terrible weight of the debt, and how it had been paid many times over, and how something had to be done about this. Shades of López Portillo, 18 years earlier.

However, one week after that, Fujimori was driven out of

power. He was forced to call new elections. He was overthrown by the State Department, Project Democracy, and so on. On Sept. 16, two weeks after he had given this speech in Brasilia, he called for new elections. And then, on Nov. 20, he actually resigned.

Was it due to the speech that he gave in Brasilia? Yes; but there was something else. On Aug. 31, the day *before* he gave the speech in Brasilia, the *Los Angeles Times* wrote the following about Fujimori: “The Fujimori regime has hardened its tone with anti-U.S. diatribes and a strange affinity for the far-right ramblings of the U.S.-based Lyndon LaRouche movement. . . . His regime could become the model for a trend.”

Now, the time has come to report something which is known to only a few people here. At the time that this article was written in the *Los Angeles Times*, and at the time that Fujimori gave his speech, there were plans under way for Lyndon LaRouche to visit Peru. He was scheduled to be there in October of that year [2000], and although I have no intention of going into any of the details about that, let me simply say that it was going to be a fairly spectacular visit, given what was happening in Peru at that time—and in particular, with Peruvian-Brazilian activity towards integration around a common project of development. Not only was LaRouche scheduled to speak; one of his speeches was going to be broadcast by video-conference across the entire country.

So as you can see, this prohibition against LaRouche—because “the guy is too dangerous”—is not something that applies only to Mexico. This is something that they intend to make apply around the world, in places such as Peru.

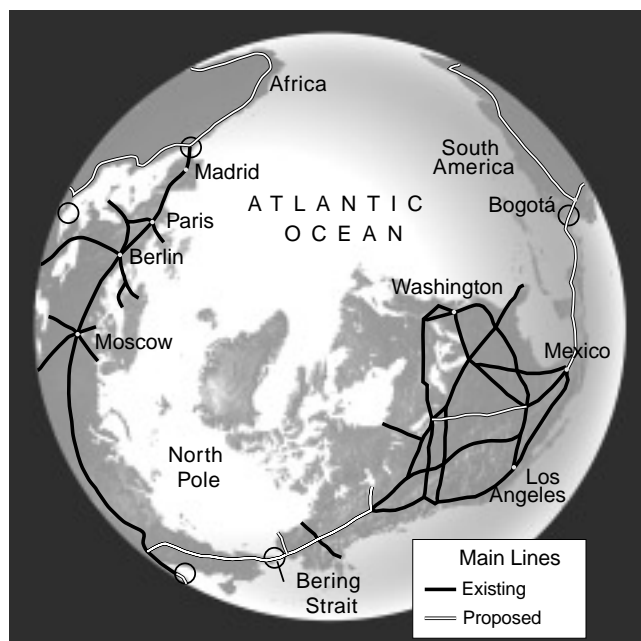
Infrastructure and the Noösphere

The final point that I think needs to be addressed, to open the discussion period around this, is that the issue of development is not simply a question of resources, as has been made clear a number of times in the course of today’s proceedings. We’re not talking simply about the fact that Ibero-America is very wealthy in natural resources, and so on; nor, what Lyn was describing in terms of the Central Asian region. The crucial question here is the deliberate, intentional intervention of mankind to transform that natural wealth.

That is to say, wealth is a question of that aspect of the created universe which corresponds to the Noösphere, in terms that Vernadsky would have described it. It is that specific aspect—the noëtic aspect, the human creative aspect—which is what gives value to economic activity. And it is the way that infrastructure inter-relates with an existing physical geography, to make those circumstances adequate to receive and to spread creative advances, that is the crucial question here.

The transparency (Figure 5) will show us the same map that I think Lyn showed, which gives you a picture of the world land-bridge. The black are rail lines that already exist. The light lines are the ones that don’t exist, that have to be built. I think the whole idea of the Noösphere is very nicely

FIGURE 6
The World Land-Bridge, Polar Projection



communicated by the next map (Figure 6), which shows the exact same thing, but from a polar view.

You can see that way that, if developed by man, the entire land-mass of the Earth is *one*, of the entire globe. Some of it’s over the edge of the horizon of this view—but you could, in fact, building this world land-bridge, not only take a train from Tokyo to Rotterdam in a much shorter time than it now takes to get there by ocean (by rail, it’s a mere 13,600 kilometers); you could also take a train from Buenos Aires to Berlin—going past the Darien Gap, going across the Bering Straits, cutting across the Trans-Siberian Railroad, and making it to Berlin, perhaps for an opera performance that weekend! And that’s only 20,000 kilometers.

I think this view—I really like this, because it gives you a sense of the way man can take the entirety of the Noösphere under his control. And this in fact, raises the whole question of metric and measurement in an economy. Rather than this crazy idea of “net value added”—you know, GNP is supposed to be [the sum of the] net value added at each stage along the way—I think we should talk about “noëtic value added,” not “net value added.” That, at least, poses the right question, a very challenging question of how you, in fact, do account in an economy. And it puts the focus in exactly the right place.

My concluding point is best shown by the video clip which shows a little bit about what can happen in the southern part of South America with this approach. This is a joint rocket launch of Brazil and China.