

## LAROUCHE WEBCAST

# How the U.S. Political Fight Will Shape Mexico's Future

*Here is a transcript of an international videoconference/forum, titled "The Significance for Mexico of the Situation in the United States," and sponsored by the Union of Workers of the National Autonomous University of Mexico (STUNAM), EIR, and the LaRouche Youth Movement, on Nov. 9. It features a dialogue between Lyndon LaRouche and Agustín Rodríguez Fuentes, general secretary of the STUNAM as well as a federal Congressman. The webcast was simultaneously interpreted into Spanish and English. The comments by Spanish speakers have been translated here by EIR.*

**Ronald Moncayo (Moderator):** Good morning to the entire audience that is listening to this event in various countries. This is a webcast from Mexico City of a dialogue between the U.S. politician and economist Lyndon LaRouche and Agustín Rodríguez, the Secretary General of the STUNAM, the Trade Union of Workers of the National Autonomous University of Mexico.

This morning we have with us a member of the LaRouche Youth Movement in Mexico; also Rubén Cota, our [EIR's] representative in Mexico City; also, of course, Agustín Rodríguez of the STUNAM union. We have José Luis Gutiérrez, who is the Organizational Secretary of the STUNAM, and Alberto Pulido, who is Press Secretary of the STUNAM.

We'd like to welcome all of you, those of you who are participating here and those listening in over the web. First, we have some brief words of welcome from Mr. Pulido, on behalf of the STUNAM.

**Alberto Pulido:** Good morning. We want to cordially welcome you, on behalf of the Union of Workers of the National Autonomous University of Mexico, to this dialogue on the economic situation the United States is facing, and its

significance for the countries of Latin America, and the world.

Our union currently represents not only academic but administrative workers as well, who are based at one of the most important public universities in the world, which was recently placed among the top 100, in fact. So, it is important for us to be in this public institution and to be able to have a dialogue with world leaders and analysts, as is the case of Mr. LaRouche.

So, you are all welcome.

**Moncayo:** Thank you very much. We have Mr. LaRouche on the screen here, and this morning he is going to speak to us on "The Significance for Mexico of the Situation in the United States." After Mr. LaRouche's opening remarks, we are going to hear from Agustín Rodríguez, and then we will open up to a period of questions and answers, from the audience listening around the world, and from the various labor leaders who are gathered here in Mexico City. I would like to mention that we are also linked to a number of other meetings in other parts of the world, in particular with a meeting being held by the Peronist Trade Union Youth of the 62 Organizations in Argentina, as well as other locations here in Mexico. So, without further ado, I would like to welcome Mr. LaRouche.

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### Lyndon H. LaRouche, Jr.

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We are facing, globally, a financial crisis which is not comparable to, say 1929, in the United States, but rather to an event which occurred in the 14th Century, in Europe, when the Norman King of England repudiated his debts to the House of Bardi. This event triggered a pending explosion in the financial system of that time, throughout Europe, and resulted in



*LaRouche speaking to the STUNAM on Nov. 9, in an Internet webcast: "We are now facing a crisis internationally, which is comparable to the threat that Europe faced, on the eve of the New Dark Age. This is not an ordinary depression."*

EIRNS/Juliana Jones

what's called the New Dark Age: In which half the municipalities, or the parishes of Europe, vanished, in the course of this New Dark Age, and the net population shrank by one-third or more, during that period.

We are now facing a crisis internationally, which is comparable to the threat that Europe faced, on the eve of the New Dark Age. This is not an ordinary depression.

We are in a period, in which financial institutions which dominate the world, monetary and financial institutions, are desperately using every trick in the book to try to postpone the collapse. For what purpose? One is not certain! But they're trying.

So, we have to realize that we are now in a hyperinflationary mode, especially hitting raw materials areas such as petroleum, which is not based on supply and demand, but is based entirely upon the desperation of financier circles, to find something in which to speculate, to hedge against the collapse of their financial interests. And they count on raw materials, such as metallic raw materials, and petroleum, and so forth, as the way in which to try to defend the interests of these fellows against the oncoming collapse, which they know is inevitable.

Every leading financial circle in the world, knows that a collapse of this system is now inevitable. They may not say this to the press, they may lie—you know, people do lie, don't they? Governments lie, and financial institutions lie. But we're on the edge of that kind of collapse.

## Can We Stop the Crash?

Now, the collapse is not inevitable. Money is not the primary, necessary determinant of world economy. Under, for

example, let's take the case of the United States in 1933: The U.S. had collapsed into the so-called 1929 collapse. But that was not a physical collapse of the economy: What happened was, that under Hoover, and under the direction of the Federal Reserve System of that time, that Hoover collapsed the U.S. economy by one-half, by measures of austerity taken in response to the financial collapse of the stock market, and the markets in Europe, as well.

Roosevelt came into office, in March of that year—after being elected, but actually came into the Presidency: At that time, the same financiers which had orchestrated the collapse, had put Hitler into power as a dictator in Germany through setting fire to the Reichstag, which was done by Hermann Göring, was used as a pretext for making Hitler, who had been sort of a joke at that point, the actual dictator of Germany, where he remained the dictator until his death in 1945. So, the danger is of that nature: That, we're in a period where financier circles, such as those U.S. and British and other circles who backed Hitler back then in 1933, that those circles will respond to a crisis now, as they did then. Today, it's called "globalization." This is the new fascism, this is the new fascist imperialism. And the plan of these powerful circles in finance, is to do that again.

Now, the only institution that can oppose these circles is the modern sovereign nation-state. In particular, there is probably no government in the world, which is prepared to challenge these financier institutions directly—except potentially, the government of the United States, to take the same role that it did under Roosevelt, and to lead the world into a new system, hopefully without going through a war in between. To return to something like the Bretton Woods system,

as it functioned at the point of Roosevelt's death and immediately afterward: The Bretton Woods system which enabled the world to recover from the effects of the Depression, during the interval from the close of the war, until the middle of the 1960s, when, again, the United States began to do foolish things to itself, as typified by the war in Indo-China.

So, the question is: Can we stop this crash, and what is the solution for this crash? Recently, we've had some interesting developments. The problem in the United States we have today, is, while we have a Senate, which is beginning to move significantly, in the direction of resuming the Franklin Roosevelt policies of that time, that the House of Representatives is still pretty much under the influence, from the top down, of the extreme right wing, which is vulnerable; and a Presidency, in which the President of the United States is actually dominated by a Vice President who probably has more power than any Vice President in history, who actually has, in a sense, more day-to-day command over the economy than the President of the United States himself. The President is almost a puppet of this Vice President.

### Get Cheney Out!

Our intention, in the United States, those of us who are fighting against this, is *to have Cheney eliminated from office*, by impelling him to resign, on the basis of proof of the crimes of his associates, such as the recent indictment of Lewis Libby, his chief of staff. And there are many more on the list to go.

If we can get a change in the arrangement of the Bush Presidency, which makes the Bush Presidency more responsive to reality, then we can respond to this crisis with leadership from the United States, which would actually help to get the world out of the crisis as a whole.

There are many people, as in Italy for example, where the campaign for a return to the Bretton Woods system has been led by leading Italian parliamentarians, and there have been votes in the parliament, successfully, for that change in policy. If the United States would adopt, again, that policy, there are governments in Europe which would join with the United States, and I think in general, you would find that most governments in the Americas, of most states of the Americas, would welcome that kind of change if it were made clear to them what it is. For example, we have the case of the recent developments in Argentina, where President Bush has praised the President of Argentina, Kirchner, for his defense of his country against the IMF. Now, what that means from the mouth of President George Bush, one doesn't know. But one would take it at face value, and say, "The President of the United States has said something very intelligent in that case in Argentina, at that conference."

The states of the Americas are in agony. Mexico is in agony, physically. Argentina is in its agony, but it knows it. Bolivia is threatened; Brazil is threatened; Venezuela is threatened in a different way; Peru is destabilized. There are



U.S. Air Force/Sue Sapp

*LaRouche on Vice President Cheney: "Our intention in the United States is to have Cheney eliminated from office, by impelling him to resign, on the basis of proof of the crimes of his associates, such as the recent indictment of Lewis Libby, his chief of staff."*

horrible situations in Central America, as throughout the area. The suffering is unbelievable. Therefore, I think that most political forces throughout the hemisphere, would respond favorably, to an initiative from the United States to return to the kind of policies which the United States represented in terms of monetary policy from the period of the end of the war, until the middle of the 1960s.

I know that my old friend, now deceased, José López Portillo, the President of Mexico, struggled for that, and made a heroic defense of his country, in the period from August through October of [1982], especially in his memorable address to the UN General Assembly, at the convention then, on this policy. I share that policy on Mexico, with President López Portillo, as he expressed it at that time, and would still hope that we can get back to that kind of policy again, in relations between Mexico and the United States, and also throughout the hemisphere.

But, what are the developments which are pertinent to this? First of all, we have a breaking development in the past couple of days inside the United States. The Democratic Party leaders in the Senate have called for strenuous action to correct the errors and crimes of Vice President Cheney. This was stated by the Democratic Leader in the Senate, Sen. Harry Reid, who was echoed immediately by a Senator from New York, Schumer, and echoed by Debbie Stabenow, another Senator. There was a meeting subsequently in the Senate, among the Democratic Caucus of the Senate, which, after a clarification of some of the questions that were raised, about the proposal by Senator Reid, affirmed their understanding of the policy. So, we now have the leadership of the Democratic Party in the Senate, is moving in this direction, and firmly in this direction; and there are Republican Senators who share that view. And the recent defeat suffered by the Republican Party, in the recent elections, indicates that the American



*José López Portillo announces the nationalization of the Mexican banking system, Sept. 1, 1982. "I would still hope that we can get back to that kind of policy again, in relations between Mexico and the United States, and also throughout the hemisphere," LaRouche said.*

people are moving away from the Bush-Cheney Presidency, in a different direction, and that the focus of hatred is against Cheney. That's where we're moving.

## **Reorganize the Financial System**

The crisis will come on soon. Let me outline what is required: Every major banking system in Europe and the Americas, is presently bankrupt. The entire major banking system of the United States is hopelessly bankrupt. Implicitly, the Federal Reserve System is bankrupt. Similar situations exist throughout Europe. The banking system of Europe is, with a few exceptions, bankrupt. The central banking systems are bankrupt; the European Union system is bankrupt, hopelessly so—it's just a matter of when the collapse becomes official.

What has to be done, and the only thing that can be done, in this case, is to have the United States take action to put the Federal Reserve System itself into receivership by the Federal government, as putting it into bankruptcy. The purpose of that action is to keep the doors of the banks open, to prevent a chain-reaction collapse of the system of credit and finance in the United States. And to proceed from that, as Roosevelt did, with a recovery program using national credit to stimulate growth in the areas of basic economic infrastructure, and things of that sort.

If the United States does that, and if Europe joins in that, then it would be possible immediately to create a new monetary system, like the old Bretton Woods system, and to proceed with a policy of high-technology-oriented expansion of employment throughout, for example, the Americas. There is potential for getting back to the level of 1982 in Mexico, in terms of the possibilities, the opportunities. Similarly, in Brazil. Similarly in Argentina. The work will be hard, it will

take practically a generation to restore and recover, these countries from this damage. But it can be done.

And I'm convinced that if the United States will change its policy, a change in policy which is probable, if not certain, that the countries of the Americas will tend to join with the United States to that common purpose. And that countries in Europe, especially Germany, and probably Italy, too, would tend to come over very quickly, as partners. Countries in Asia, such as China, probably Japan, India, would welcome the effects of such a change.

We could, therefore, move very quickly, not into prosperity, but into stopping the collapse of the system, and beginning to move upward. The most important thing, is we would be restoring the confidence of the people of the world in their governments, and the commitment of leading governments and institutions, to provide a future for them.

Now, people can be very poor: But, if they're confident that their country is improving, that it's on an upward course, they will put up with a certain amount of suffering, on the basis of knowing that they're moving upward. Whereas, if they see the situation is hopeless, with no likelihood of change, they will tend to become desperate. And when people become desperate, politics becomes desperate. And when politics is desperate, and leadership is lacking, under conditions like those of the 14th-Century New Dark Age, then civilization as a whole can go into a Dark Age.

We have a choice. Unfortunately, the responsibility for leading in that choice, from my best estimate, is, it must come from the United States. People around the world are looking to the United States government: Will the United States government change its policy? The Senate says, "Yes." The President has said nice things. The Vice President

says, “No.” The Vice President is a criminal. We’re moving to get rid of him.

**Moncayo:** Thank you very much, Mr. LaRouche, for your presentation. And now, we will hear the comments of Mr. Agustín Rodríguez Fuentes, of the STUNAM. I would like to say that this is a union that has more than 30,000 members, and it is one of the most important unions of Mexico and of Ibero-America. The subject of Mr. Rodríguez’s comments—and he is also a federal deputy, by the way—is “Mexico’s Course Should Change.” We pass the microphone to Mr. Rodríguez.

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## Agustín Rodríguez Fuentes

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It is a pleasure to greet such distinguished persons who are listening around the globe to this conference, this exchange of views, and especially, to Mr. Lyndon H. LaRouche, who with his comments, his proposals, and his initiatives, is waging a fight very similar to that which many social organizations here in Mexico are also promoting. Over there, they are calling it a change of the financial system or a new financial system in the world economic order. Here, we are encouraging discussion, analysis, debate on the economic model which, since 1985, has been imposed on Mexico, with the disastrous results that mean the impoverishment of more than 50 million Mexicans and extreme poverty for more than 20 million.

And that is something which requires more than just concern or reflection, but rather must foster the measures to generate a change in orientation of that economic policy toward Mexicans, and toward the world in general. It is clear that, worldwide, neither the businessmen nor the owners of capital who receive the most benefits from this economic model, are convinced that this kind of economic life for nations is the best.

Thus the importance of this exchange of comments and views.

### Mexico’s Course Should Change

We should also bring up at this moment the distressful circumstances that were recently experienced in Argentina with the Free Trade Area of the Americas, at the IV Summit [of the Americas] that was held [in Mar del Plata, Argentina] and where, lamentably, our President of the Republic went and encouraged and defended the indefensible, the unsustainable, as if he were the voice of the Mexican people, as if we Mexicans were very convinced of this agreement which has provided no sustained benefits for the Mexican economy. At best, perhaps for a few. But for many millions of Mexicans, evidently, there have been no benefits.

It is important to keep in mind that we Mexicans who suffer the devastation wrought by these international agreements, based on an economy conceived on the basis of supply

and demand, of world economic globalization, of a market economy where, if you produce, you have, and if you don’t produce, you don’t have, that is something which we must examine very carefully.

We have put a great deal of emphasis on the point that Mexico’s course must change. We have written a great deal, as a trade union organization, about that approach. I bring here today just one aspect that I would like to discuss, and that is something which lies at the foundation of what must be corrected in Mexico.

And here we have a small difference with Mr. LaRouche. For us, in no way were the actions of President López Portillo heroic. On the contrary, his were the most blundering actions possible, because when he had the chance to develop a strong and solid economic policy of developing the domestic market, he didn’t do it. Because there was much knavery that, precisely because of these circumstances and conditions, caused capital flight from our country. And it was precisely during that period that our country experienced the worst capital flight.

And later, others arrived with a technocratic mentality that, in the end, could not resolve things either.

I would like to point out that we have stated our views over the past 11 years, in every forum where we have had the opportunity to express them. The neo-liberal model in Mexico has proven a tremendous failure. The only thing the neo-liberal model has achieved is an increase in poverty, inequality, and social polarization. If you doubt it, just look at what happened recently in Argentina, what Brazil has gone through, what Mexico is going through, and what practically every Latin American country is experiencing.

Three PRI Presidents and now a PAN President have tamely imposed the prescriptions of the World Bank and International Monetary Fund, which obey the dictates of the most powerful and arrogant country on the planet, the United States of America.

We have experienced more than two decades of crisis and mediocre levels of growth. Stagnation of per capita domestic production; increase in the foreign debt and explosion of the domestic debt; a banking system bailed out at the expense of the Mexican people and now in the hands of foreigners; miserably low capacity to create jobs; a disastrous rural life, and a structural fiscal crisis that limits the role of the state to promote growth.

The world recession and the invasion of Iraq by the United States have aggravated the domestic situation, in addition to representing an environment which is unfavorable to the economic and social expectations of our democratic transition, and a greater risk to our sovereignty.

### Incompetence of the Fox Government

The Government of Change, because that is what the PAN government represented by Vicente Fox calls itself, has effectively produced a great fiasco because of its tremendous politi-

cal incompetence. Its policy is a continuation of the previous regime's. The consensus it says that it seeks, is reduced to negotiations among small groups of leaders, which don't represent society. We saw that a few days ago in Argentina.

We are moving toward institutional and consensual disorder, because of what we are facing in the cases of the reforms of the indigenous law, the airport, the submission to the "gringos" with regard to Cuba and other lamentable cases. There have been and will continue to be confrontations between the President and the Congress, and between sectors of civil society, the Executive and the Legislature.

We've been saying it for some time: The change offered by the new government has been translated into a favorable change for the organization and projects of big capital, both national and foreign. The government, which is fortunately about to end its term, has been a pro-business government, incapable of democratically transforming the authoritarian and corporatist discretionary forms of the old regime. The government is thus a sum of individuals without internal cohesion and without a political program; even worse, it lacks a vision of the process of transition. And here I would make a correction: I believe that it does have a political program, but it is not the program of nor for the Mexican people.

It has been confirmed: The Fox government is a government of the right wing, with an economic and social program of continuity with the neo-liberal orientation of the past administrations, and with democratic advances regarding the forms of management and use of public resources. That is, transparency and control, but in the midst of a great ineptitude.

It is necessary to reverse this process, and to pose a consensual and institutional political arrangement, to urge an agreement for the social and democratic reform of the state and for national development with justice and equity. We do not want to once again be mere observers of agreements among the powerful, designed to achieve goals of economic growth that only benefit the prosperity of the great deal-makers, and which marginalize the great majority of the population.

## **Toward a New Consensus**

Therefore, we call for a great social alliance for democratic change and for national development with justice and equity.

The reform of the Federal Labor Law that the current government is promoting, is in the strictest sense a "reform," with a small "r." It is "reform lite," that is, very superficial, given that it does not include the fundamental questions of Article 123 of the Constitution,\* nor is it linked to the project

of reforming the State, let alone to a program of economic changes which sets out goals regarding labor and productive affairs. In a word: It is an updated version of a wretched and regressive law. Regressive, because it was presented by the business sector back in the mid-1980s, when the old system wasn't even capable of creating the conditions for its approval. And wretched, because now, when the new government has created expectations of important change, the reform does not achieve such expected heights.

Therefore, for many, it could be limited and disappointing. In fact, if the progressive parties in the Congress are incapable of modifying such aberrations, it will be, as we have said, a counter-reform.

The way in which the building of the consensus was directed, was totally unilateral, biased toward that already existing from the old regime. Therefore, we decided to present some initiatives as social organizations. It was appropriate to establish the necessity of updating the law and, at the same time, posing the necessity as well of a long-term reform. That would be best.

There is already a national clamor for the urgent necessity of improving the quality of life of all Mexicans, through a change in the economic model that will reactivate the dynamic of the domestic market, integrate the national productive apparatus, generate a greater number of jobs, raise wages, increase the competition among businesses, and strengthen national sovereignty.

For our part, we are involved in promoting a reform of the productive model and of the labor system which, in the framework of reform of the State, although it has not yet begun, would be capable of bringing out the legal, institutional, and cultural improvement of labor.

Enough of the contractionist policy which, for the sake of maintaining macroeconomic equilibrium, has killed any productive initiative on the part of the Mexican people. We propose a change in economic policy, that will put at the very center of convergence of all economic and social policies, the promotion of jobs and defense of the living standards of the workers. All this stems from the necessary, obligatory, reactivation of the internal market.

As a result of this economy, we find an enormous deterioration of such important aspects as the countryside. Like the whole agricultural and manufacturing productive system, the entire internal market is shrunken because of the enormous economic "opening," because of the indiscriminate policy of opening our borders, which has not generated the benefits for what we have identified as the micro-economy. That is, what the worker, the Mexican, the wage-earner, receives, what he

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\* Article 123 of the Mexican Constitution, entitled "On Labor and Social Security," establishes that "every person has the right to a dignified and socially useful job; to that end, the creation of jobs and social arrangements for labor will be fostered, in accordance with the law." It also urges Congress to "expedite labor laws" which regulate "every labor contract," including such aspects as a "maximum workday" of eight hours and a "minimum

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wage"; the "national housing fund" for workers; the formation of "trade unions, professional associations, etc.," and the right to strike; designation of "the goods which constitute family patrimony, which goods shall be inalienable"; "the Social Security Law," which covers "the protection and well-being of workers," and which grants them "the right to medical assistance and medicines" and to dignified housing; among other things.

has in his pocket for the consumption needs of his family. The macro-economy may perhaps have had positive results, but that has been on the backs of the workers and through the surrender of the most sacred interests of the Mexican people to foreign policies.

And that is something that must be corrected, that must necessarily be examined. Now that we are entering this new era, we hope—and in the United States, with the fight promoted by Mr. LaRouche and other Americans who are oriented toward this change of the financial system on a national, international, and world scale—we hope that the United States will no longer follow that war policy, by which it sustains itself only on the basis of wars, with the deterioration and harm of many nations.

So-called intervention in defense of democracy of countries does not require any state to intervene. There is no reason for the United States to be in Cuba, nor to be in Iraq, nor to be in Venezuela, nor to be anywhere intervening in defense of democracy. [applause] Countries are sovereign, and as they are sovereign, they should resolve their own problems and define their own economic course.

And that is the direction in which we must move. We are confident that the results of this kind of exchange, such as we are holding here today, will help to bring about that great social, world movement for transforming the economy, so that it no longer exploits the neediest and no longer favors only the owners of capital.

We are at your disposal if there are any questions or comments on any issue raised. Congratulations for this exchange, and we are ready to continue developing it.

Thank you very much.

**Moncayo:** Thank you very much, Mr. Rodríguez. We are going to begin a session of questions and answers. But I would like to ask, first, if Mr. LaRouche would like to comment now in response to this, or should we go directly to the questions and answers?

**LaRouche:** I could make a comment on this. We're in a situation of an international system. Now, while I defend the absolute sovereignty of the nation-state, which is being destroyed today, we have to recognize, there *is* an international system, and if we don't change the system, there will be no possibility of defending the sovereignty in any country. So therefore, we can not start from the sovereignty of individual countries and hope to build up a system. We have to crack and break the power of the present international system, as a precondition for re-establishing the principle of national sovereignty.

Take, for example, one concrete aspect, which Mexico has, of course, experienced abundantly: the free-trade effect. Now, what free trade has done, is, free trade, by lowering the prices of Mexico's exports, has destroyed the capital of Mexico. Now, capital as I refer to it is not financial capital as such, but rather the capital represented by farmers, skilled

farmers, to raise their families, and to have enough income from their production to improve agriculture. There are whole projects in development of agriculture in Mexico, which have gone *backward* from where they were, say, in 1982, not forward! The *maquiladoras* and other things, were actually methods of looting Mexico, because the income that Mexico received was insufficient to maintain the capital of the small producer, the independent industry, as opposed to the giant international cartel and its auxiliaries in Mexico.

Therefore, we have to have a protectionist system, of the type consistent with what is known as the American model: That governments must have the right to protect their industries, and to set prices. We must have, also, on the international market, however, an agreement to a protectionist system, of the type we had prior to 1971-72, under the Bretton Woods system. It was under the protectionist system, that Mexico was able to prosper somewhat in the post-war period, until the developments and change started in 1971-72 and went through 1982.

So, we need to understand, we need an international protectionist system, modelled upon the precedent of the Bretton Woods system as it existed into the middle of the 1960s, actually. Without that, nothing else is possible. This means, protectionism for standard wages, wage protection, protectionist wage standards; protectionist agricultural standards; protectionism to protect national industries, to promote local investment in industries. You look at the structure: We have lost the structure of independent industries and agriculture. They've been gobbled up by international cartels. This is a threat to our food supply, for example. By trying to standardize international foods, we have created a potentiality for diseases to wipe out whole types of crops, because we've overspecialized and oversimplified production.

So, the thing I emphasize is, we have to start—if we're going to win—we've got to fight a power struggle to change the international system. Without a change in the international system, we will not be able to maintain sovereignty, or re-establish it in any country.

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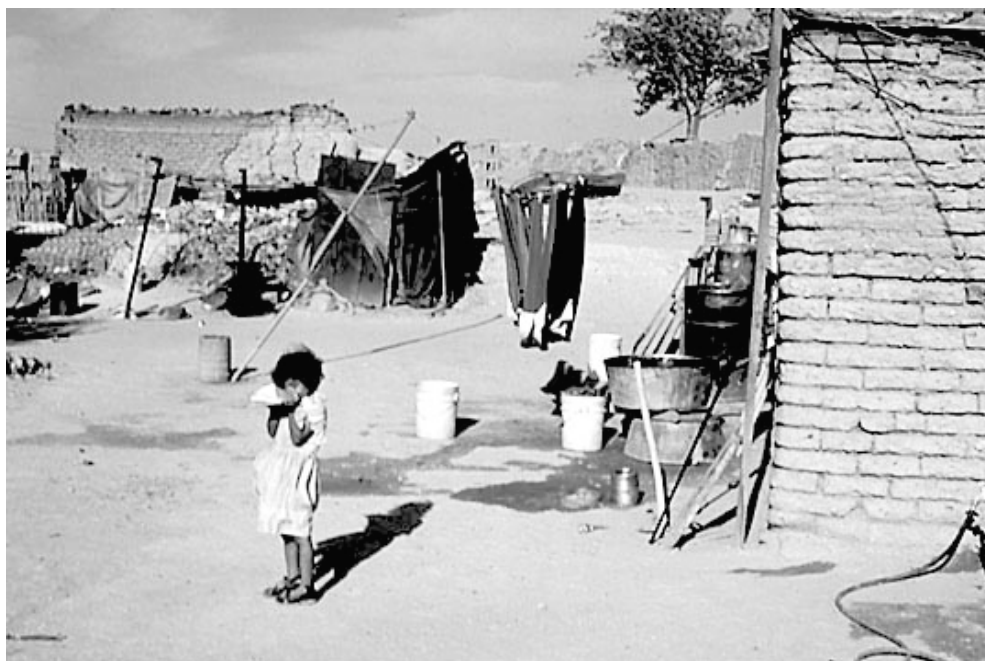
## Questions and Answers

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**Moncayo:** Thank you very much, Mr. LaRouche. . . . I would now like to take questions from the audience. If you can please come forward, identify yourself, and ask your question.

### The Issue of the United States

**Q:** Thank you. My name is Carlos Eduardo Zúñiga. Good morning. Mr. Lyndon LaRouche, in your address I heard you present the United States as the only country capable of leading the international economy, at least on the level of Latin America. But I do not entirely agree on this point, given how the United States has been discredited historically. I also



United Steelworkers of America/Mike Matejka

*We have to end the free-trade effect: Mexico's maquiladoras which brutally loot the population of Mexico—and the U.S. workers.*

wouldn't treat the problem of the United States only as a matter of the current Vice President who must be replaced.

I also think that if the position of President of the United States were to be occupied by a person such as yourself, I think that you could possibly face the same fate as John F. Kennedy. Isn't it true that an honest person faces greater dangers in the United States than anywhere else? I think that, perhaps, a country like Canada, which is large, might represent a better probability, because it doesn't have a history as damaged as that of the United States. What do you think about this? Thank you.

**LaRouche:** It won't work. The problem is this. The problem is not states, or the United States. The problem is an international financial system. You have to understand, the world today is not run by governments, though governments have the potential of acting in concert to break this superior power. The superior power is an international financier group, which happens to be the same group which put Adolf Hitler, Mussolini, and Franco into power back during the relevant period. These are international financial operatives who control the world economy today. Their intention today, is to eliminate the nation-state in many parts of the world, and where they do not eliminate the nation-state, to make the nation-state a mere errand boy for concerts of financiers.

Now, the power that we have to face, is centered in London, not the United States. It is the international—the new Venetian system, with headquarters in London, which is the problem. If you're going to deal with any part of the world successfully, *you must break the power of that system.*

The only state which is likely to undertake that chore, is the United States. Not by itself, but by leading a concert of

nations, which *move to break that power, that imperial power*, to which we are all subject. The function of the United States—it must be its function, which is the same function that Franklin Roosevelt represented. Remember, Roosevelt's intention, at the time he died, was to eliminate imperialism, as the first chore of government. And this was to establish the true sovereignty of nations which had been colonial or semi-colonial in their status. This included the Soviet Union, it included China, it included India, it included the countries of Africa and so forth. These countries were to be *made free*. Not only free, but be assisted in their development as free states.

The United States represented that, then, as it did under President Lincoln, and under some other Presidents. We have other Presidents who represented the foreign interests of the British government, or British imperialism. The power we have been in, since 1971: Nixon represented British imperialism. Carter represented British imperialism—he wasn't a bad man himself, but his control under Brzezinski was. Reagan had some good qualities, but he was also soft in dealing with these financial agencies, and it was a terrible period. Bush "41" was terrible on this question, even though he defended Germany somewhat, against the predatory British government at the time. What we've seen in Europe, again: predatory policies. And we have had no President—Clinton was a good fellow, well-meaning fellow, but he did not take on this enemy.

What is required is to have a Presidency of the United States which *takes on this world power, and breaks it*, in order to ensure that other nations will have the freedom to develop as sovereign states. Without that commitment, as the questioner put it, you have to have a Presidency of the United



States which will make that commitment, in order to free nations to enjoy their sovereignty.

I'm committed to that. We have a movement in the Senate, and other parts of society now, to move back in that direction. The financial collapse of the world system, including the U.S. system now, has created the *opportunity*, to bring the United States to play that role which it must play. Because, *no other part of the world has the combined resources, and courage* to take on the London-centered international monetary-financial system.

## Problems in National Leadership

**Q:** My name is Octavio Solís and I am a member of the STUNAM. We should be precise, right? Because you also spoke about the protective role of the developmentalist State, but don't forget that here in Mexico, this is known as populism. The social democratic project from Europe was introduced, but it too has defects, as seen in Mexico and above all in other countries, like Argentina with Perón. Defects of that kind of economic project are what brought us corporatism in the trade unions. Yes, it invokes the development project, but one must also remember the defects, and remember the impediments in politics, the authoritarianism, for example, in Mexico with the PRI-run State.

We must be careful not to repeat these defects, so that we don't again get that type of policy, above all in control of the workers, which concerns us as trade unionists.

On another point, I would like to think that when Mr. LaRouche speaks about the policy of López Portillo, he is referring to his foreign policy. One must distinguish between the PRI's international policy and its domestic policy. Abroad, it came off as leftist, because it belonged to the Fourth International, and also supported Allende, and Castro in Cuba. But domestically, they behaved like a right-wing party, and that is why the PRI is seen as centrist; it is not totally right but neither is it leftist.

In other words, there is a difference between foreign policy and domestic policy. In that sense, [Mexican President Vicente] Fox is more consistent, being right-wing domestically and also right-wing abroad. So one must be precise.

**LaRouche:** Most people, including trade unionists, do not understand the kind of problems with which I'm familiar: I have seen governments broken, and I know who breaks them. I know a good deal about how the governments of Mexico, including the PRI governments, were broken.

For example, back in the 1970s, you had an important development of an oil-for-technology transfer agreement with Japan. This was broken, under pressure from Brzezinski, who threatened Mexico, so Mexico abandoned its own national-interest policy, under pressure from Brzezinski, and from the financial interests that he represented. I've seen other programs, in Mexico and in other countries.

I met with López Portillo, in Los Pinos in the Spring, which was a time that I was dealing with opposing the attack

on the Malvinas, the Malvinas War, coming from Britain. And trying to get the United States to uphold the Rio Treaty, to kick the British out of the Western Hemisphere, because what the British were doing in war against Argentina, was a *violation* of the Rio Treaty, in which the foreign powers of Europe were prohibited from interfering in the internal affairs of the Americas. So, at that point, I met with López Portillo, and he asked me, in an hour meeting, what the United States had planned for his country—a very good question—because he knew something about me, and knew something about the United States. And I said—this was the Spring—I said, “They plan to destroy your country by September of this year.” The attack came in August.

And the policies of Mexico—I saw the López Portillo government and its successors *broken*: broken chiefly by the British interests, and by the United States government. That's how it happened.

So, the complaints against Mexico's policies, often the government policies, must go back to the source of the problem. You have a kind of imperial neo-colonialism, by international financier interests, which control governments, and often control the government of the United States. If we don't break that power, we will not have freedom for the governments.

The other side of the thing, which the questioner referred to, is, the biggest problem I have in politics internationally, is the degree to which people have become discouraged—in trade union organizations and others: discouraged that they can not do anything. They're prevented from doing anything. And what happens is, discouraged people cease to be politically active, politically effective. They don't fight the issues they should fight. They give up. They nag and they beg, for favors, from powers that they see as the powers. The important thing, is to develop a true democracy, not the false democracy that we sometimes see around the world, but a true democracy in which the individual *mind* of the average person in society is participating, through institutions in government.

And when the voice of the people, for example, in Mexico, I think of working people, as I do in the United States. Our auto industry is being destroyed! It's not just the industry that's being destroyed, it's the people who work in it; the communities that are represented by that industry, are being destroyed!

Our concern is, we must give—through government, we must give power to the people to express their voice within the institutions of government, to deal with these things. We have to understand that. We have to understand, we need strong governments, but we need governments that can defend the people, and defend themselves against overreaching foreign interests.

## The Political Base of Leadership

**Moncayo:** Thank you very much. We have a set of questions from Argentina, which I would like to summarize.

Gisella Vanegas of the Peronist trade union youth, is in the audience there in Buenos Aires, and she asks: What are the chances that Bush will reach an agreement with Argentine President Kirchner? How is the situation in the Argentine Republic seen from abroad? And what are the similarities and differences between [former Argentine President] Gen. Juan Domingo Perón and [Venezuelan President] Hugo Chávez? Thank you.

**LaRouche:** On the personality of Chávez, I wouldn't say too much. Venezuela is a sovereign country, and the sovereignty of its institutions and its chief of state is something I don't like to meddle in.

In the case of Argentina, of course, I have a close relationship with Argentina going back for a long period of time, and with some of the Peronists in Argentina, as well. We've fought several fights, including the fight against what was done with the Malvinas and things like that. So, I have some feeling on that point.

What we need, at this point, is an international awareness, and I'm very happy to see that these union movements represented here, both from Argentina and in Mexico today, are playing this role. I would compare this with the situation in the United States, with some of our UAW people who are associated with Delphi and the auto industry, who are now being persecuted. Some of these trade unionists, as you probably know, as you have the same thing to some degree in Mexico and also in Argentina, are not just ordinary workers: They're very skilled people. They're machine-tool designers; they're machine-tool workers. They're the key workers in the industry, who make possible the employment of the others, through their work in developing the technologies which make the country strong.

My view is that this voice—we used to have the farmer, but the farmers are a much weaker political force these days. But these forces from the labor movement typify what is required to create the base, the popular political base of leadership, for moving governments in a new direction. And it's to the extent that the working people typify the majority of the population of a country and its national interest, that they are efficiently participating in governments, and understand what the issues of government are, and are able to intervene efficiently to steer governments, in the sense of being unignorable forces within the country. This is what is required.

## U.S.-Mexican Cooperation

**Moncayo:** Thank you, Mr. LaRouche. We now have a question from Mexico, again. Please go ahead.

**Q:** Good morning. I am Esteban Verdeja Vargas, at your service. The question I have for you is: Do you think that the European and American crisis is a danger that involves Taiwan, Japan, and those kinds of governments that have practically been part of the European and U.S. economies? That is my first question. Second, given the changing situation in the United States, do you think it possible to contribute to



EIRNS/Stuart Lewis

*The statue of Benito Juárez in Washington, D.C. The United States intervened to help Mexico against the Hapsburg occupation and bring Juárez back into the government.*

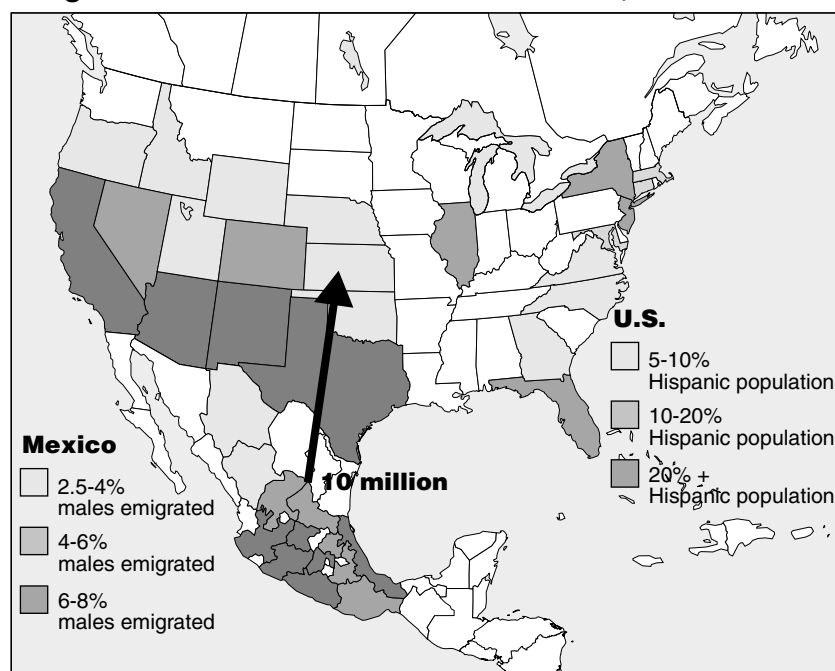
a change of course in Mexico, but with the freedom to govern ourselves and not have interventionism, so that we can recover the right to govern ourselves that every country has?

**LaRouche:** This question of sovereignty, and cooperation among nation-states and sovereignty of nation-states, is one which is not adequately understood in general, and should be more often discussed.

Let's take the case of the U.S. and Mexico. The U.S. and Mexico have a very special relationship, because of their contiguity and because of the history of Mexico, as such. Particularly, the case of the fight against the Hapsburg occupation. The Hapsburg occupation was part of the attack from Britain on the United States and Mexico at the same time. That's how it occurred. And getting Benito Juárez back into the government, which was done with the intervention of the United States against the Habsburgs—which was actually against the British—was crucial.

But, look at Mexico as such: There is no rail line, efficient

FIGURE 1

**Emigration of Mexicans to the United States, as of 2003**

Sources: INEGI (Mexico); U.S. Census Bureau; *EIR*.

rail line, between the Mexico-U.S. border, and Mexico City. Which means, that there's a weakening of the integration of Mexico, because of these policies. You have a water policy: There's abundant water in Mexico in the South, but there is not in the North. Whole areas of Mexico, which require development, development of its people, development of its communities, is not occurring. The infrastructure is not there. The development of the power resources needed is not there. Many of these things, involve common-interest projects on both sides of the border. It does not mean the United States should come into Mexico and do it, but it means there are cases in which cooperation between the two states, on long-term investments which are 25- to 50-year investments, in basic economic infrastructure and so forth, are essential.

Also, agreements for example, on the question of what about the undocumented workers in the United States? This has never been regularized. The Mexicans are not protected. They are exploited. Others are coming through Mexico into the United States—they are being exploited, as a cheap-labor force. This is destroying families in Mexico. It's destroying the culture of Mexico. Therefore, agreements among countries, on mutual issues of common interest and common projects, especially in the areas of infrastructure and protectionism, are essential.

Mexico is especially important, because it is considered throughout the Americas, that the relationship of the United

States to Mexico is the measurement of the United States' relationship toward all of South and Central America. Therefore, the voice of Mexico and Mexico City, is extremely important throughout the Americas, because people will say, "Mexico's relationship with the United States, typifies our *fate* within the hemisphere, of what the United States and its European partners are going to impose."

So this issue is crucial. And I think my experience is, there's not sufficient understanding in recent times, of the importance of this issue, of having the proper form of relations between two sovereign states, Mexico and the United States, to understand those issues: which are not really *negative* issues, but issues of urgent cooperation, such as the matter of water management, power management, general improvement, and protectionism—protectionist measures which give Mexicans the prices for their commodities, which enable their agriculture and industry to prosper.

You see a situation on the border, as you get up to the northern border of Mexico: You see poor people, who can't get employment, become "mules" carrying

drugs across the border *out of desperation*. You see what has been done to the people of Mexico, especially in the northern states, as a result of this kind of process. The United States has never taken effective action on this, in this entire period. The United States has a moral responsibility to *help* Mexico, in terms of what Mexico's actual interests are.

And Mexico has to open up its eyes, to demanding this kind of cooperation, not simply demanding relief from the negative measures, but there are *positive* measures, which, where not taken—positive measures of cooperation—result in great suffering for the people of Mexico, or at least for a large part of them.

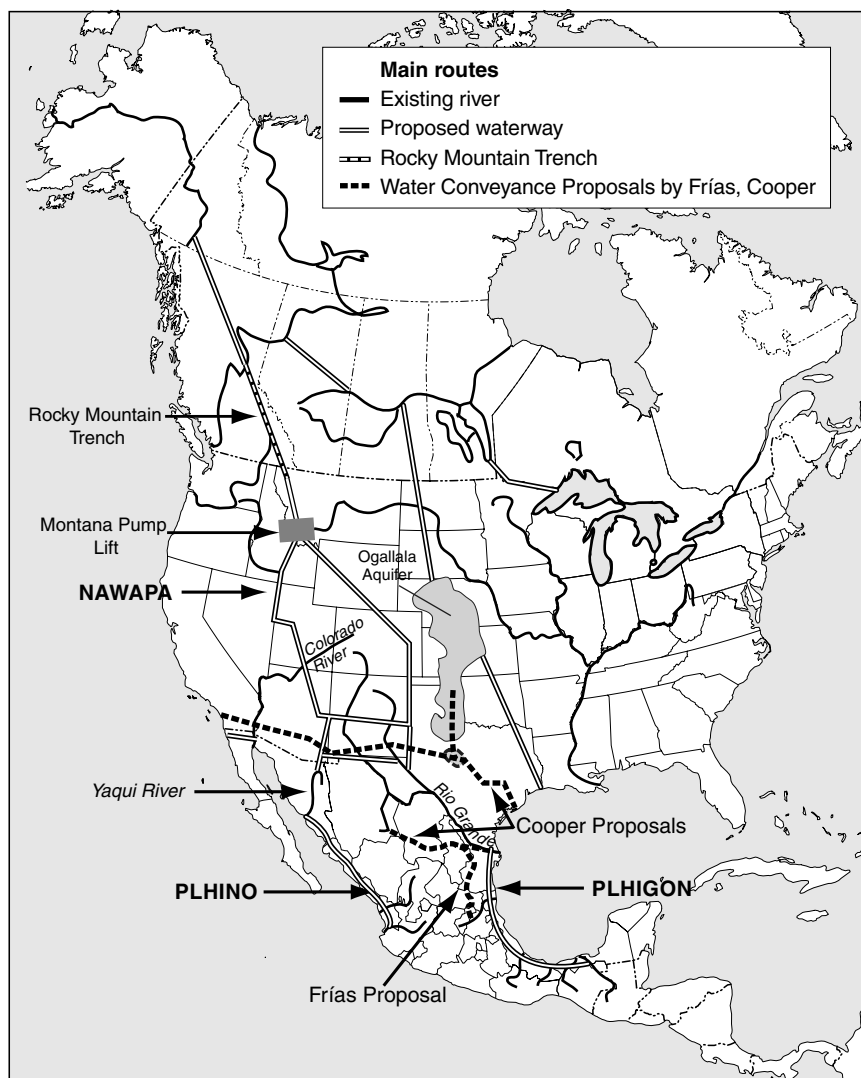
### **How To Deal With Mexican Resentment of the U.S.A.**

**Moncayo:** Thank you very much. Among our distinguished audience of labor leaders from the STUNAM is Pedro Gante, the Labor Secretary of this trade union, who has a question for Mr. LaRouche.

**Q:** Mr. LaRouche, we greet you affectionately, and welcome this opportunity to be able to exchange views. As an expert in economics and as a great statesman from such a powerful country and neighbor of our country, Mexico, what would you recommend to the President of the United States, to your own Congress, that would bring us together and offer a more dignified, more humanitarian treatment toward our

FIGURE 2

## North America: 'NAWAPA-Plus'



Source: Parsons Company, *North American Water and Power Alliance Conceptual Study*, Dec. 7, 1964; Hal Cooper; Manuel Frías Alcaraz; EIR.

brothers who find themselves forced by this neo-liberal policy to emigrate to the United States? They are treated, as you said before, inhumanely. Coming from a cultured country like the United States, with great statesmen such as yourself, we Mexicans are surprised. This treatment has already caused great resentment towards our neighbor. I think it would be a good idea for the United States to treat its neighbors in a more dignified way, so that it needn't be afraid of being invaded by terrorists. And instead of training weapons, cannons on our country, it should give us more dignified treatment, and thereby win the affection of the Mexican people, rather than the resentment which is felt today towards the United States.

Another important issue is that, aside from the human

rights issue which is implicit in the treatment of our brothers, the United States falls into a great contradiction: It has invaded countries with the argument of respect for democracy and human rights, when in practice, it demonstrates the opposite, in defense of its capitalist interests.

Also, it is well known that the army of our brothers who go to the United States, do so because of the disastrous state of affairs which exists in our countryside. The United States has been incapable of providing us with the help in technology and resources that would prevent this army from being forced to migrate to the United States, an army which has generated great wealth for the United States itself. And we won't deny that we have also benefitted from the remittances sent to us.

But, nonetheless, tell us what you would propose to the President of the United States, to be able to mitigate or remedy this resentment that we have toward our neighboring country. Thank you very much, sir.

**LaRouche:** Thank you. I would say—to say “what *would* I propose?” Well, let's take what I *am* proposing. And proposing to the relevant institutions, who *do* hear me, especially on the Democratic Party side, but also some other institutions. And recently, I've been fortunate, or unfortunate as you might judge it variously, in having a greatly increased influence in terms of the political decisions in the United States. Particularly, in my criticisms of the failures of the Bush-Cheney Administration, since its inauguration, and also

criticisms I had of earlier Presidencies, including the Presidency of a man with whom I'm quite friendly: Bill Clinton, the former President.

The point, what we have to do, is this—I think a concrete answer to the question is the best answer, rather than just the generalities. What is needed now, is to create a new monetary system; to put the United States into bankruptcy, by its government; to make sure the banks stay open; to cancel financial derivatives accounts—just cancel them; they're side-bets, they're not real investments; and to create new capital through state capital. That is, the United States government has under its Constitution a provision under which the currency is not independent of the government, according to our Constitu-

tion: Only the Federal government of the United States has the legitimate power to create and control the currency.

Now, the Federal Reserve System is a compromise, it's a corrupt compromise, but it still is somewhat controlled by the Federal government. If we put the United States banking system into receivership, as we would put any bankrupt institution into receivership, and arrange for its continued operation under bankrupt conditions, the following would occur: We would create trillions of dollars of new credit, long-term credit, at between 1 and 2% simple interest per year. This would be directed largely to two categories: basic economic infrastructure, such as power systems, water systems, transportation systems; and health-care systems, educational systems, things in the public interest.

And we would also, at the same time, look to our neighbors, such as Mexico, and say, "Why can't they do the same thing?" Well, their present arrangement and their banking system doesn't allow them to do that. Maybe we can help out. There are large projects in Mexico, which it's in the interest of the United States to have existing.

Remember, that in our country, in the United States, persons of Spanish-speaking descent from within the hemisphere, are the largest single minority in our country. Larger than the descendants of African descent. Therefore, we have a very important interest, a common interest, in dealing with the welfare and consciences of people in the United States, who, one, two, or three generations, or more recently, have come into the United States, as either citizens or as legal residents, or illegal residents. These people have close relations in the hemisphere, with Spanish-speaking families in other parts of the hemisphere—especially Mexico, especially northern Mexico. Therefore, our relationship between the United States and Mexico, depends upon the welfare of Mexicans *on both sides of the border*.

Now, on the southern side of the border, there are no jobs, no adequate jobs; there is no adequate development. The lack of development, the lack of jobs, the lack of economic conditions, drives Mexicans, who would rather live at home with their families, than be driven across the border to a strange country where they may be abused! And many are abused, or used as drug-hauling mules, across the border, to die in that way.

Therefore, it's in our interest, and Mexico's interest, that we have cooperation in promoting certain long-term projects in infrastructure, which would provide a means for employment of Mexicans *in* Mexico, both directly in terms of large-scale projects, and in stimulating the private sector in these regions, through employment and projects. These involve water projects—for example, the PLHINO project [see Figure 2]: Mexico has much water in the lower part of Mexico, why can't we move it up, as Mexico has planned *many* times, over many years, to move the water, along the coast, up the coast, or across the mountains, into the northern parts, the arid parts

of Mexico? To develop Mexico, to develop its agriculture, to develop new cities, new communities. Mexico City is a fine city, but it's too large, to deal with all that smog and so forth that people suffer every day there. It's necessary to disperse the population more, into new cities and new areas of development.

It's in the interest of the United States to have that. It's in the interest of the United States to have security, and U.S. security depends upon the security of Mexico. If Mexico is more secure, we are more secure. And therefore, there's no reason, under a U.S. government, properly informed, not to do what I proposed: to take these large-scale projects, which are projects of common interest, in which the governments of Mexico have in many studies developed these projects. They have just not been implemented, like the PLHINO. These projects should be fostered. The United States should sponsor the fostering of these projects, which are in both of our interests.

Fostering this cooperation between the United States and Mexico, this change in relations, will be good for all of the hemisphere: It will establish a new standard for the hemisphere. Because, if people in South America and Central America think that Mexico can trust the United States, that maybe they, too, can. And that is the basis of our security in the hemisphere. It's not on force and power, but on the basis of trust and common interest.

**Moncayo:** Thank you. At this point, we would ask people who want to ask questions, to please put them in writing. We now have a comment here from Mexico, and then, one from the General Labor Federation, the CGT, of Colombia. First, the question from Mexico, please.

## Mexico's Economic Future

**Q:** Good morning, distinguished analyst and economist LaRouche, Mr. Rodríguez, and distinguished audience. My name is Atanés Reno Castro and my question is the following. We've talked a little about history, about Europe, about Venezuela, Brazil, Argentina and so forth. But what I would like to know is: What will be the course of our country, which is a country rich in natural resources and, especially, what is called black gold, or petroleum? It makes no sense that we have these natural resources, and nonetheless are submerged in an economic crisis. My question is, then, Mr. LaRouche, what is the economic formula for changing the country's path and avoiding the privatizations of Pemex and the Federal Electricity Commission?

**LaRouche:** Well, it's simply, if the United States' government decides that it's going to sponsor this policy, as you suggest, then it's up to the Mexico government to say it accepts that U.S. policy. If the two governments agree on that policy, nothing should stand in the way.

In the United States, you have to go with the reality of the situation, not just the abstract aspect of the situation: The



EIRNS/Uwe Parpart

*A Pemex refinery at the port of Coatzacoalcas, Veracruz. Why with such rich natural resources, like petroleum, is Mexico submerged in an economic crisis, a questioner asked, and how to avoid the privatization of the national oil industry, Pemex?*

reality of the situation is, the United States is bankrupt. We have to go through a massive growth program, to get out of our own bankruptcy. We have the mechanisms in our Constitutional system for doing that. We have a temperament in the Democratic Party and in the Republican Party leadership, in that direction—*now*. We have a great crisis, in getting rid of Cheney and getting the government back under control in a Constitutional way.

Therefore, under these conditions, the important thing is—like this discussion we’re having today—the important thing is, to have a discussion among the people who are sponsoring these *changes* in their respective governments. And to take a list of projects, which should be developed, and make this list of projects—remember, when we’re talking about a project, you’re talking about, for example, a power station: A power station has an economic life of 25 to 30 years, a power system. You have water systems that have a life cycle of 50 years, physical life cycle. A railroad system, similar kinds of things—you need railroad systems, and mass transit systems. These kinds of projects would stimulate, in Mexico for example, the level of growth needed to remedy many of these problems.

If we have this kind of cooperation, it will work: *We are on the road toward such cooperation—now*, by the changes that are occurring in the temper of the United States, now. As you saw in the recent elections in the United States, which are local elections—in states and so forth: These elections show, there’s a change in the mood of the public. What you see in the Senate: You see a change in the mood of the Senate. You see the impulse to have Cheney out of government! In the

sense, that getting rid of him is the first objective to restore decent government in the United States. To get out of this kind of war policy. We are undergoing a change, now, in the United States, which Mexico should be happy to see coming, and would hope that it would succeed.

If we continue in that direction, there is no doubt that, as long as my voice is still influential in certain circles of the United States, that what I say *here*, is something we will be saying from the United States. We will need a continuing dialogue, so that Mexico does not feel that it’s having something shoved down its throat, in terms of a proposal, but that it’s a voluntary plan for cooperation, which can serve as a model for relations throughout the hemisphere: If Mexico and the United States can trust each other, the hemisphere can cooperate.

### **Eliminate Free Trade!**

**Moncayo:** Thank you very much, Mr. LaRouche. Obviously, these proposals to build a more humanizing relationship among sovereign states and among populations, evokes great enthusiasm. Now, I will read a question from Colombia:

“Greetings from Colombia for the STUNAM union in Mexico,” says Jaime Torres, president of the Regional Federation of Transportation Workers of the Eastern Portion of Colombia, which is part of the CGT, the General Labor Federation of Colombia. His question is the following: “Mr. LaRouche, what do you think of Colombia signing a free-trade agreement with the United States?”

**LaRouche:** I’m against it. I’m against it. Under free trade—Take the world as a whole, today, to see this in per-

spective: In India, which is a growing economy in terms of exports, 70% of the population is desperately poor. In the recent election, Vajpayee, the former Prime Minister of India, who was a very capable person as a Prime Minister of his country, was voted out, because of the failure of India to deal with the requirements of 70% of its own population.

You have in China, which is called the great country of the future: Well, China has grown, it has progressed. But, it still has the same *kind* of problem, not the same form, but a parallel to that in India. The great part of the population of China is very poor! Desperately poor! You look at the rest of Asia—that's not even talking about Africa—they're desperately poor. You look at the countries of the Americas: You have this desperate poverty, with whole masses of the population sinking into a swamp, a quicksand, of super-poverty, of death, of destruction, like a Dark Age.

So, the issue here, is, we have to eliminate all free trade. Because, what we do with free trade, is this: Mexico competes, how? Or, did compete, with the *maquiladoras*, until the trade went elsewhere. What happened? You shut down production in the United States, because Mexican labor is cheaper. Why is it cheaper? Because Mexican labor is not fully paid for the cost of its labor. What's the effect? *The increase of poverty in Mexico*, is a result of the *maquiladoras* program, a free-trade program.

What do we do with free trade in Central America, which was recently adopted? It's going to *ruin* an already half-destroyed region of the world! What will free trade do to Colombia? It will destroy it! Because, the income received from trade, will not be sufficient to maintain the population.

We have to have a protectionist system, under which the industries and agriculture on which the nation depends in each of these countries, the income from that must be sufficient to maintain the economy justly for the entire population.

So, we must go back to a pre-1971 policy of protectionism. Or what's called "fair trade": That countries must agree on tariff agreements and support agreements, so that each country can take its essential industries, and derive sufficient income, or margins of income, from the work of those essential industries, to pay for carrying the population, *according to a standard of the General Welfare of the people*.

So, free trade is the enemy of humanity. And it's the weapon of the usurer.

## Defeat the Synarchist International

**Moncayo:** Thank you, Mr. LaRouche. We now have a question from a young woman in the audience here.

**Q:** My name is Blanca Estela Pérez. Good day to everyone. I have two questions. One is for the economist Lyndon LaRouche, and the other is for engineer Rodríguez. The first is: Mr. LaRouche, I would like to know, in 1945 we had the Bretton Woods agreements which, according to some experts and political analysts, is a system in which the dollar is consolidated as a currency of international reference, where the

United States is able to both pay its bills and to self-finance. On the other hand, this also meant setting up a system in which there is control over interest rates, and fixed parities, to prevent a system of speculation like what we have today with derivatives, which is practically destroying the economies of every nation. However, what I would like to know is, what this New Bretton Woods would mean. Isn't it a danger to the sovereignty of the nations themselves? Where would its limits be set? Or would it just be a transitory system, given international dollarization, and would it eventually permit nations to recover their hegemony and political, social and economic sovereignty?

My question for Mr. Rodríguez is: I would like to know if you, from your congressional seat, would be prepared to make a statement in the Chamber of Deputies in favor of a new economic model, whether it be what Lyndon LaRouche proposes, which is what many nations are proposing—for example, there is the proposal in Europe for just trade. How far would you be willing to go in making such a statement, on the one hand, and also in asking for an explanation of the role that President Fox played at the summit in Mar del Plata?

Those are my two questions. Thank you.

**LaRouche:** First of all, I'll make this as short as possible: The first question involves many complications, but I'll try to simplify the thing. In 1933, in March '33, when Roosevelt entered the office of President, after being elected earlier, at that point, Hitler came to power in Germany. Hitler had been brought to power by what was called the Synarchist International, a syndicate of bankers led by London, which had promoted Hitler, as Mussolini, and later Franco. From that point on, we were headed toward what became World War II, as a result of the movement, centered in Germany, to establish a world fascist dictatorship.

The United States was mobilized to defeat this fascist dictatorship, under Roosevelt. However, at the time that Roosevelt died, and Truman became President, Churchill, who had allied with the United States, *only* because he did not want to give up the British Empire, turned to the right and together with the new President of the United States, Truman, made a deal *and revived the Nazi International*.

Now, you know, in Mexico and in South America, as you know in the case of what happened in Chile, what happened with Pinochet, what happened with Operation Condor murder operations in Argentina and in the Southern Cone generally, you know the Nazi International still exists; and it is still sponsored by the kind of financier interests which put Hitler, Mussolini, and Franco into power, back during the 1920s and 1930s.

This thing took over, through Allen Dulles, a significant part of our intelligence apparatus. And through New York bankers and Washington, D.C. banking groups, who took over and supported the Nazi International.

This is what most of these countries have been fighting against, in defense of their liberties, and in defense of their



National Archives

*Franklin D. Roosevelt (right) with Mexican President Vaila Camacho in Monterrey, Mexico, in April 1943. Roosevelt mobilized the United States to defeat Hitler and his Synarchist International promoters, with an anti-imperial policy. But as soon as Roosevelt died, the Synarchists brought back the Nazi International.*

sovereignty, to the present day.

Cheney, for example, in our government, represents a continuation of the interests of the Nazi International! And the torture organization, which Cheney is defending, which was picked up by the United States and British *from* the Nazis! The torture at Abu Ghraib and Guantanamo, and other, secret locations, is a Nazi operation, promoted by the Vice President of the United States—which is one of the reasons we’re getting rid of him!

So, one has to understand this. And to understand that the problem of the post-1945 period is, that at that point, Truman could not eliminate the Roosevelt reforms, the Bretton Woods system. But, beginning with the war in Indo-China of the United States, after the assassination of Kennedy, there was a movement in a new direction, which began to hit with full force in the 1970s and 1980s in terms of South and Central America. That’s your experience. It is still there! It is represented, in the extreme, in Mexico, by political organizations in Mexico, as well as in other countries. This is the problem.

And therefore, if we go back to the Bretton Woods system, we’re going back not just to an economic system: We’re going back to the policy which Roosevelt represented at the time he died! Because, that policy, even though it was continued in the post-war period, up into the middle of the 1960s, and technically, until 1971—that policy was in the process of being sabotaged under the same international financier interests, headquartered in London, which put Hitler, Mussolini, and Franco into power earlier. That’s our problem.

We’ve now come to the point that, yes, economic conditions permit us to defeat this enemy. But this time, when we defeat him, we have to make sure he *stays defeated*. Otherwise, our freedoms are not guaranteed.

## A New Economic Model Is Needed

**Rodríguez:** I will gladly present to the Chamber of Deputies, as a point of urgent agreement and resolution, this demand for a change of economic models. We have been doing this from our trade union organization since 1985. At that time, our trade union published a full page in the newspaper *Excelsior*, of a national manifesto, when the imposition of this economic model, in the period of Miguel de la Madrid, had barely begun. That manifesto was entitled, “Mexico’s destiny is being lost. The course must be changed.” And from that point onward, we have been working on this same thing. Already at that time, we had warned of the havoc that the neoliberal economic model was wreaking on the economy of Mexican families.

And so we will gladly present this. You are witnesses: We will present that initiative.

A few minutes ago, I just signed another resolution that we are going to present in a few days, for the recognition of the National Autonomous University of Mexico (UNAM) as being among the 100 best universities in the world, because it has a special quality: It is a university of the masses, it is a public university, and it is a university with few resources. And for it to be on a par with the universities of Paris, of Madrid, of the United States, of Canada, to be the first in Ibero-America, to be number 20 worldwide in arts and humanities, to be number 93 worldwide in science, the truth is that this is an important achievement. And that should be recognized, in order to rectify the policy of this government toward public universities. Because with a little support, Mexico’s public universities could be first-rate. We can do it, and we are going to work for that.

I believe that this is intimately connected to economics.





*Augustín Rodríguez, Secretary General of STUNAM: "I just signed another [resolution] that we are going to present in a few days, for the recognition of the National Autonomous University of Mexico as being among the 100 best universities in the world, because it has a special quality: It is a university of the masses." Here, UNAM students strike against a tuition raise.*

Because this economic model, as you know, has the market economy as its foundation. And under that model they have wanted to dismantle the UNAM, to push the public university aside, to economically strangle it. But, as Galileo Galilei said in his time, "Nonetheless, it's moving." That is to say, nonetheless, free, lay, public universities of the masses will continue to exist, since it is clear they can be a fundamental factor in the economic and social development of the country. There are examples of this. The national public educational system, from pre-school to post-graduate, is free; it is paid by the State, and gives the citizenry the opportunity to develop themselves.

I always cite the example of a country which is half ice and half productive land—which is Finland. It is in the top rankings in education, in the fight against corruption, in communication, and we could hang many more medals on a system like that. We should aspire to this. And therefore, we have to convince this government, by the force of democracy and through social mobilizations, to change its neo-liberal conception toward public universities. And, of course, from now on, we are taking on the commitment to present this as a point of urgent and obvious resolution.

Calling for a change of economic model will at least encourage discussion in the Chamber of Deputies, because this is not being discussed in the Congress. The reform of the State is not being debated, because there is no agreement among the party leaders of those who rule, or misrule, this country.

And so we have to intervene on this. This coming year is an historic opportunity for the Mexican people, to use the power of the ballot, to vote for a real and true transformation of economic policy, and social policy. And here I should clarify a point. When we, or I in my intervention, when I spoke about López Portillo's not being one of the best eras of government the country has had, I am not proposing that we

return to a protective state economy. On the contrary, we are proposing that we recover society's role in the economic and social development of the country. We don't have that now. Now, we have an economy, or a social policy, or an economic policy, or a political policy, that is defined by the leaders of the political parties. They are not defined by the centers of the social organizations.

Therefore, we are promoting something that has served as a positive experience in the development of the European economy. And that is the creation of an Economic and Social Council, that could allow the participation of marginalized social sectors: indigenous groups, civic organizations, social organizations, religious organizations, business and party organizations. With such an Economic and Social Council, we could establish an economic and social system with less marginalization, less exploitation of Mexicans, which we unfortunately do not have today. And so we are working on this.

And of course we will also present another matter, which I believe several congressmen will be doing, calling on the President of the Republic to present a report on his incompetent behavior on the international stage. This is not the first time it has happened; it has happened time and again. Unfortunately, the damage that has been done internationally will be difficult to repair, if the political postures he currently holds are maintained. It must be changed, and I believe that now there is a great opportunity to do so.

Therefore I welcome the agreement of our union's 54th General Congress that we must fully participate in next year's political process. And we will see how, with the decisive participation of the most important social organizations such as ours and many others that are developing in the democratic environment, we will be helping, with our small contribution, to foster a true transformation, genuine change, and to gener-

ate a more equitable society, with less social injustice. Because we now live in a country of great social injustices. And that is what we want to change. Greetings, and thank you.

## A Community of Sovereign Nations

**Moncayo:** Thank you, Mr. Rodríguez. We have more questions, and also more people are joining the webcast. We have a delegation of trade unions from the educational sector of the city of Querétaro.

We have a question for Mr. LaRouche from Javier Espinoza, who is here in this audience and asks: Next year, we are going to be facing a very important process in terms of elections. There are going to be elections for a new President, a new Chamber of Deputies and for Senators. At this point in time, there are economic and programmatic discussions going on in various national political arenas. The question is: Mr. LaRouche, Mr. Rodríguez, what would you recommend to President Bush regarding a change in the international financial system? And, if in Mexico Andrés Manuel López Obrador should become President next year, with a different program from that of the PRI and PAN governments, will this be possible? Thank you.

**LaRouche:** Well, the answer is, what we're already proposing in the United States, which is essentially, number one: Put the international monetary system into receivership, through action by respective sovereign governments, putting the central banking systems of their country into receivership by their government. Using the government, as a mechanism of credit to launch large-scale infrastructure projects, and other stimulants, to build the economy up above actual, physical breakeven levels, and to raise the standard of living in these countries.

In the case of the United States, there are many specific projects which are already earmarked, as project-areas—in which the projects don't have to be researched, they just have to be implemented. It will be a long haul. What I envisage is a two-generation process, in which the first generation will be actually building up the infrastructure, the emphasis, and the second generation as a technological leap forward, beyond that.

This is what is needed throughout the world. It is what is needed in the hemisphere, in Mexico in particular. And of course, the thing to remember in this, is that we in the Americas—less in Canada, but more in the rest of the Americas—we have a tradition of a struggle for freedom, from countries which our people migrated from, largely out of Europe, or countries such as in Mexico, or Peru, where there are large indigenous populations already existing, who are still an integral part of the base of the population, that we have in the Americas a very special kind of common experience, despite the differences. And therefore, in our hemisphere, the objectives from one nation to the other are very similar. The kinds of projects we want are very similar.

The idea of a General Welfare principle, as defining a standard of living, which must be provided and guaranteed to



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like the British.*

all our people, is fairly common.

So that, while we may have differences in terms of specific national objectives, we do have a sense of common standards, in the Americas. My immediate concern, while I'm also dealing with the world situation, my immediate concern is to restore the intention of what John Quincy Adams, as Secretary of State, defined as a protection of the Americas against interference from outside forces; and this was in a United States which was not imperialist. We are not an imperialist nation. We sometimes have imperialists among us. But our national character is not imperialist. Like the British character *is* imperialist, ours is not.

So therefore, we simply have to go back to the policies of Franklin Roosevelt, as the epitome of what the United States represents historically, the tradition of Lincoln: We have the projects now in view, in the United States, and I would suggest, from what I know of the Americas, the project requirements in the Americas, that the economic policy requirements in the Americas, pretty much conform to what the United States would desire for itself. And therefore, I think, with discussion, we have no difficulty in coming to a general discussion of agreement on what the parameters are, the objectives are, of a common and separate policies over the period to come.

**Rodríguez:** The fact is that whatever government comes in—and we want it to arrive democratically, based on the decision of the Mexican people—that government is going to necessarily require the participation of the social sectors. The task that we must pursue is to build a workers' programmatic platform on behalf of workers, and to present it in this period prior to the election. But also, all the other sectors should be contributing their proposals, and on that basis follow it up. Because, clearly, the strength of any government program will depend not only on the definition of whoever governs, but also will depend on the definition, on the responsibility, and on the commitment of those who are governed. And that is where we have the great task of building a great social

and economic platform that will bring us to a new stage of development of our country.

**Moncayo:** Thank you very much. We now have a representative of the administrative personnel of the university, Mr. Bruno Luna, who would like to ask Mr. LaRouche a question.

**Q:** Thank you. I'm Bruno Luna, university advisor. Mr. LaRouche, it is a pleasure to hear your clear and definitive comments about what the Free Trade Area of the Americas represents. Of course, one can find its roots in the Clayton Plan, which sought to turn the countries of Latin America, in particular, into colonies and semi-colonies, one might say mere raw materials exporters, and importers of manufactured products.

My question is as follows. After the Second World War, there was the expectation that the semi-colonial and colonial countries would have a great opportunity to achieve their economic, social, political, and cultural independence. However, the reality today shows us that these expectations ran up against American imperialism, in particular, because it insisted that the Latin American countries must remain as exporters of raw materials and importers of manufactured products, in particular from the United States. It is not unknown that in the case of Mexico, a high percentage (we could say between 70-80%) of its trade is strictly with the United States, which makes it impossible to diversify our trade with European and Asian countries.

This policy of viewing the countries of Latin America exclusively as raw materials exporters, prevented the implementation of a policy of industrialization, that is, of generating industries to build heavy machinery that could radically transform conditions in the country and improve the conditions of the Mexican people. And the same holds for the countries of Latin America.

This policy of preventing industrialization not only horribly slammed the industrial sector, but also the farm sector, and we can see the results today: This country, so often described as a country of beans, of corn, of peppers, and of rice, today is importing these raw materials that were produced here. What is happening to the agricultural sector is terrible.

So, my question is, what should the strategies be, both nationally as well as internationally, of Latin America, so that these countries can reactivate their domestic markets as a fundamental and primary condition for achieving economic, political, social and cultural independence?

## Policy Toward Cuba

**LaRouche:** Well, the policy of the United States toward Cuba—remember, all of these things, you must take into account one thing that I've mentioned here a couple of times, already today: You have to recognize the problem comes from Britain, which in 1763, established by the Treaty of Paris of February, 1763, established the British East India Company as an imperial power. This power has dominated the world,

except for a short period of time, in which the United States under President Roosevelt had created the Bretton Woods system, which was a replacement for the British System.

However, even the Bretton Woods system had the misfortune of having a President who was pro-fascist, Truman, come in. We got rid of Truman, and Eisenhower was a better President, but the economic policies were not too good, the financial policies.

Kennedy was trying to do better, and they killed him! Johnson was not a bad person, but he was terrified they were going to kill him, too. You had Nixon, who was no good. Carter who didn't understand things—people like Kissinger and Brzezinski, who were sympathetic to fascism, were running those policies. Reagan had good impulses, but his government on overall economic policy was terrible. Bush was worse. Clinton was a good President, as a person, but his economic policies were a failure. So, we've never had a very good economic policy, in terms of the United States, since Roosevelt died.

What we had in the two decades following the war, is, you had the residue of the effect—in France, for example, de Gaulle in France, with his heavy franc; you had Adenauer in Germany—good policies. You had some Italian governments which had good instincts, but they didn't have the power to implement them.

But, the problem we have, is this thing: There is a force in the world, which you know in the Americas as fascism. You had it in Mexico during the wartime period, and afterward. It went down into Chile, into other countries, the right-wing in all these countries, which was tied to London and tied to certain forces in the United States, is a fascist program. And this is what the problem has been. It's been *finance capital*, of this Venetian model, coupled with its agent, fascism, which we've had in the United States, in certain secret services and so forth. It's stupid.

Now, take the case of Cuba in that light. I don't like Fidel Castro. I know what he really is. *But:* Cuba is a nation of the hemisphere, and it has the rights to sovereignty. It has the right to participation. It can not be blockaded because we may not like its government. It's wrong. You have to be patient in history. Unless you want to become a dictatorship, you have to accept what you have to deal with. And the sovereignty of another nation is the first thing you have to consider.

That's our first problem.

## Youth in the Political Process

On education: We now have a movement in the world, which I am in the center of—at my age! Here I am in my 80s (healthy in my 80s, but in my 80s), and I'm working largely with a constituency which is based on people between 18 and 25 or 26 years of age, in a movement associated with my name, which is heavy in the United States, and very influential in the United States, and has influence in other countries.

We've come into a time, when the generation of people who are now, say, between 55 and 63 years of age, have



A LYM street rally in Mexico City targets Dick Cheney for impeachment. "It is the young people," LaRouche stressed, "young adults especially, in our time between 18 and 25, who are the regenerators of society, and who are the foundation of the exchange of ideas, which should be the basis for government of a nation-state."

become discouraged, and they've become withdrawn somewhat from the kind of passions for progress which younger people have. We have a generation of people over 18, coming into their mid-20s, who are young: They have two generations before them, of fully active adult life. And they're asking themselves, "What kind of adult life are we *giving* them, for 50 years to come?" We're not giving them much in the way of education. The education in the United States has *degenerated*. Especially over the period since the middle of the 1960s. The quality of education has degenerated. Science has degenerated, in terms of its practice.

So, these young people whom I am working with, they want these things. They wish a future. They don't wish to live in Hell for 50 years to come. They want to raise a future, and see a generation beyond theirs, coming up and surviving. So therefore, the movement for education, to the extent it *engages* young people, and gives them the opportunity, as we try to do, the opportunity for a quality of education, of people who are going to *run* society in the coming two generations—to give them that quality: That should be a central concern.

The way it works politically, if you take the generation which is now, say, between 18 and 25 years of age—the university generation—if you give them the opportunity to express themselves in this way, and to develop, their development will inspire an older generation, which has become withdrawn, has become retired from humanity, which is running society, inspires them for one more time, to do something good for humanity, for the future of humanity.

That's where our constituency lies: It is young people, especially this 18- to 25-year group, to the extent they're motivated in that way, who represent the leadership, the emotional leadership, which can inspire the older generation to actually carry forward the policies which we're discussing

here today. Those kinds of reforms. That's where we should put it. And a university like UNAM has great potential, for fostering within itself, the absorption and mobilization of young people of that age group who are the natural future leaders of society, who should not merely lead society, but should be an active part of the political process *now*, in *energizing optimism* among an older generation which has become largely discouraged, passive, lost its fighting capacity.

### What Is a Nation-State?

**Moncayo:** ...We have several questions from the LaRouche Youth Movement from Buenos Aires, one of which asks: "How should the role of the sovereign nation-state be understood with respect to domestic and foreign policy, on the economic, political, and social levels, give that the State is not the government, but all of society through its political action?" That's from Betiana of the Buenos Aires LYM.

**LaRouche:** Well, as I think people know, who know my work, that my conception of the nation-state, is the view which developed in European civilization from before the time of Aristotle. It developed around the work of the Pythagoreans, of Solon of Athens, of Thales, and people like that. And the idea of developing a nation-state, based on the development of the minds of the people in society is an old idea, but it took until the 15th Century; we had never achieved that.

Europe went through various kinds of imperialism after the fall of Athens, after the Peloponnesian War; the Babylonian model, which spread into the Roman imperial model; then we had the second Roman Empire; then we had the medieval empire of the Norman chivalry and the Venetians. And then, from 1763 on, we got the British Empire and things like

that. So, imperialism has dominated the world, despite the emergence of the modern nation-state. That is our crucial problem here.

Now, if we understand what the intention was of those like Solon of Athens, who pioneered the idea of the modern nation-state republic; if we understand what the Renaissance did, in launching society on the basis of the ancient Greek model of the nation-state; if we understand the implications of the Treaty of Westphalia in European civilization, in establishing the basis for a modern, just society; if we understand the principles of the General Welfare, which are the foundation of Christianity in its law, also the principle of the ancient Greek republic; if we understand these principles, we understand exactly how we should wish to develop society. And if we think of this as the ancients did, and you think of the Platonic Academy of Athens, and similar institutions: It is young people, young adults especially, in our time between 18 and 25, who are the regenerators of society, and who are the foundation of the exchange of ideas, which should be the basis for government of a nation-state.

A nation-state is not simply a political institution. It is an institution of *ideas*. And the people who share a common language and a common interest, who function together to make a nation function, these people must participate in the sharing of these ideas, and shaping of their destiny, according to these ideas which are in evolution among them.

But that's where we stand: I have great confidence in this project. I have great confidence in the future of the sovereign nation-state. I think we've now reached a point where the rising of the standard of living in Asia, with the hope for freeing of Africa from its oppression, we've come to a point that we are becoming a global civilization, but a global civilization of nation-states. And the time has come we can get rid of the junk, the crap, the evil, that we suffered in the past: And we can create a just society—a just society based not on consent to vote for something, but an idea of consent based on knowledge, a consent based on development of ideas, and sharing of the development of ideas within the entirety of a population.

And again, it comes back to the youth movement. I believe that if we understand these young people, 18 to 25 years of age, now, in our countries and in other parts of the world, if we draw them into understanding the great ideas of history, to understanding history, and having them decide to take a part, an increasing role, in shaping government, then the transition from our generation now in power, to that generation assuming power, will be a healthy one, and may bring forth on this planet, something we've never achieved before on a planetary basis. I think we have a great opportunity before us—if we seize it!

## Concluding Remarks

**Moncayo:** Thank you very much, Mr. LaRouche. We continue to get questions from the audience, but we will have

to take these questions in writing and we will send them to Mr. LaRouche and to Mr. Agustín Rodríguez, so that they can reply afterwards by email. To the Peronist youth in particular: Questions and comments will be forwarded by email to Mr. LaRouche.

On behalf of *EIR*, of the LaRouche representatives in Mexico, and of the LaRouche Youth Movement, we want to extend a special thank you to Mr. Luis Alberto Salazar, who made all of the technical aspects of this webcast possible. We hope that this will be the first dialogue in an ongoing profound discussion that needs to be carried out in every economic and political arena of the country, and of the continent.

Our thanks also to Mr. Agustín Rodríguez. We would like to ask Mr. LaRouche for his final remarks, after which José Luis Gutiérrez will close the event on behalf of the STUNAM.

**LaRouche:** Well, I thank you very much for this occasion to be with you, and share this time with you. Obviously, the discussion here shows many areas of unclarity, that have yet to be explored and should be explored. But, at least we started the process, and I'm very happy to participate in it, and very grateful for the opportunity. I enjoyed it very much.

**Gutierrez:** Mr. LaRouche and the gracious audience that has been with us in various countries of this planet, interested in this first international webcast whose topic was "A Dialogue between Lyndon LaRouche and Agustín Rodríguez, secretary general of the STUNAM union." Thank you all.

I must say that this event has served two primary purposes for us, Mr. LaRouche, and all those who are listening to us. First, it is the beginning of a desire on the part of all of us who seek a country, and countries, in a more just, more equitable, more dignified world for all humanity. This first discussion, in which we have found many points of agreement and some differences, is in that sense fulfilling the beginning of this yearning for equality and justice.

In our country, in Mexico, I'd like to say that, for a trade union which is part of higher public education, we find fertile and propitious ground for this intervention, this promotion of this event. For us, it is appropriate that this trade union participates in and promotes this kind of event. We also know that, since the time of Athens, Greece, when it was said that the barbarians could not aspire to culture, to art, to science, that the truth is that by using the word "barbarians," the Athenians of the time meant "foreigners." And we know from the experience of humanity that when one considers another person a "foreigner," the first steps have been taken towards discrimination and injustice. It is clear that, to have a world of peace, harmony and brotherhood, communication is necessary. And today, we feel that, with this event, we are making our small contribution in that sense of communication.

And so, Mr. LaRouche, ladies and gentlemen, all those who have joined us for this event, the Union of Workers of the National Autonomous University of Mexico thanks you for your attention, and expresses its readiness to continue organizing events that benefit all of humanity.