

LaRouche Addresses Monterrey Forum on Global Crisis, Solutions

Lyndon LaRouche met in Monterrey, Mexico on March 31 with a group of trade unionists, political figures, educators, subscribers to EIR, and others, some of whom came from as far away as the states of Sonora and Baja California in the north, and Querétaro and Mexico City in the south. Here is the transcript of his speech. The meeting was moderated by Benjamín Castro.

I shall take up three subjects. First of all, a general review of the current world situation, as it affects this part of the world. Secondly, a crucial feature of our work which no one else in politics is doing. And thirdly, some important developments which are occurring in the organization of youth throughout South and Central America.

The 'Post-Greenspan' Era

First of all, what we're faced with immediately, you should understand, is an impending general collapse of the world monetary-financial system. It's nothing different, in a sense, than what I've been warning about as inevitable in this process. But we have reached a critical point, where, for example in Mexico, you may have a total collapse of the system before the Presidential elections. It may not happen at that time, but that potential is there, and it's developing very rapidly.

Since 1987, the international monetary-financial system has depended upon a gigantic fraud. And the fraud is, that the collapse of the U.S. stock market in 1987, October '87—what happened then—was essentially the same thing as the 1929 collapse. So what happened at that point: Alan Greenspan, who was now about to replace Paul Volcker at the Federal Reserve System, told Volcker, "Wait, I'm going to fix this." What he did is, he legalized a form of transaction, which would have been considered criminal fraud in many cases. For example, Enron is a criminal fraud. And the entire world monetary system has been operating on the basis of a gigantic criminal fraud. This is called "hedge funds." It's called "financial derivatives." The whole thing is one gigantic bubble, which would embarrass John Law.

The bubble goes in the order of magnitude of quadrillions of dollars equivalent, in a world where you're measuring total product in terms of less than \$100 trillion. And therefore, the crash of this system would be the biggest financial crash in all history, not only in magnitude, but as a percentile of total listed assets.

There's no way, in a financial crash, that the debts which are outstanding from financial derivatives can be bailed out. That does not mean that the economies have to crash, because, what you do if you have a true nation-state, the government takes over the banking and financial system in order to maintain the levels of employment, payment of pensions, and so forth. Then the government must create credit to launch legitimate growth. And that's the great issue before us.

This system is coming down. The entire world monetary system, as presently defined, is at some early time, about to collapse. The collapse could be stopped in one way, by having governments put the monetary system into receivership. In other words, the governments would put the financial system into bankruptcy reorganization. And the state would act on a constitutional provision of the General Welfare, which is, for example, the fundamental law of the U.S. Federal Constitution.

In modern European civilization, since the 15th-Century Renaissance, and since the establishment of commonwealth states in France under Louis XI, and under Henry VII in England, and again, since 1648 with the Treaty of Westphalia, the principle of the General Welfare has been the fundamental constitutional law of modern civilized states. This goes with the concept of the sacredness of the human individual life: that the state must act to defend the General Welfare, and all other considerations are inferior to the defense of the General Welfare of the total population. This comes actually from ancient Greece. It's set forth in Plato's *Republic*. It is also the law defined by Paul in *I Corinthians* 13. This is the fundamental law of true civilization.

It is not the law in Asian society. It is not the law generally in African society. But it is implicitly, or effectively, the law in the Americas.

So that, we could have stopped the crisis, by putting the system into receivership by agreement among a group of governments, and reorganizing the system for growth, and simply, eventually wipe out the things that can't be paid. Because the debt in the present system has no more morality than a John Law bubble: The debt is one gigantic fraud, which has been imposed upon the people by fraudulent action by governments, and by international monetary authorities.

We must not think of this as an inevitable crisis which can not be dealt with. It could have been prevented by action by governments. In the event of a crash, it is the kind of action that must be taken by governments. Essentially, the purpose

is to keep all useful production going, to maintain the continuity of existing public services, and secure pensions, and similar measures. And then to proceed, by creation of credit, to expand and build up the economy.

Now what's happened is, the gigantic inflation, which was launched under the tenure of Alan Greenspan, this credit has now reached the point that a general collapse of this system is now inevitable. With the change in the occupation of the Federal Reserve System to replace Alan Greenspan by the new Chairman Bernanke, a decision was made among leading central bankers, that the growth of the bubble must be stopped. This means that the financial derivatives market, the bubble, is to be stopped. But this means, by stopping the bubble, you're going to cause it to collapse.

The center of the problem is, that you have what's called the "carry-trade." People have been borrowing yen at almost zero interest rates; the people who borrow the yen, convert this into dollars, thus increasing the flow of dollars in the world market—actually being issued by Japan, not by the United States. Those who borrow in this way, then go into other markets, and loan the money they borrowed in higher-priced markets! This credit is then used to buy up whole industries with hostile takeovers. The real estate bubbles around the world are an example of this.

What has happened by virtue of this decision to stop the growth of the bubble, means that essentially, the carry-trade is going to collapse. For example, Iceland has just gone bankrupt; New Zealand; Australia's ready. Most countries are ready to go bankrupt. The central banking systems of Western and Central Europe are already bankrupt. The major banks of the United States are bankrupt, hopelessly so. The banks of South and Central America are generally bankrupt, already. That is, if you tried to match the obligations with resources, you couldn't do it.

So, what we're going to see, is that, unless there's a change, some innovation which changes this, the three months before the election here in Mexico—April, May, and June—will see a general collapse in the world financial markets. It will hit the Americas as well. So therefore, in this country, you have to face the fact of an incoming, threatened shock. And unless there's a change in policy, this will increase over the three months to come.

We Can Prevent a Catastrophe

In this period, the most important thing, are ideas. The most important thing, is the idea that the government, the legitimate government, has the inherent power—that is the



EIRN/Claudio Celani

Alan Greenspan's debt simply can't be paid.

power of right, the power of moral law, the moral law and constitutional law of most of European civilization—to take the emergency action necessary to prevent a financial collapse from becoming a social catastrophe.

Now there are several factors to consider here. For me, as many of you know, this goes back to 1982, to the months when Mexico still had sovereignty, under [President José] López Portillo, before Henry Kissinger came here to shut down the economy: Where López Portillo, in a program which I had discussed with him and his circles beforehand, which I laid out in *Operation Juárez*, this publication of August that year, Mexico had the inherent authority under its Constitution, to deal with the crisis. But it was political pressure from the United States, which changed the Mexican Constitution, in fact. And then, when the President of Brazil and the head of the government of Argentina betrayed López Portillo under U.S. pressure, Mexico was left alone, at a time that the U.S. had greater power than it has today. And since then, Mexico has been deprived of the sovereign control of its own system of credit. And the banking system has been taken over by foreigners, of predatory inclinations.

So, the point is, the crisis creates the question of raising again the Constitution of Mexico as an approach to solving the problem. This arises at a very interesting point in the history of the hemisphere, led by a development in Argentina around President Kirchner, and his wife, who is also, I understand, quite a political figure. We've seen a coalition of a very peculiar kind among many states of South America. The election in Chile, replacing the Pinochet legacy, has for the moment eliminated the threat of Southern Cone warfare. There's tremendous instability throughout South America. But as long as the nations are cooperating in common interest, they have strength; if they're divided among themselves, they



Coordinación de Material Gráfico

Mexican President José López Portillo hoists the national flag at a Sept. 3, 1982 rally in support of nationalization of the banks. Mexico was left isolated by other Ibero-American governments, and López Portillo's initiatives were crushed.

lose their strength.

So therefore, this development in South America, of a tendency of cooperation and mutual assistance, is very important for Mexico, because Mexico is inherently an integral part of these forces. Mexico has a significant historical position among all the leading states of the Americas. And there was then, with López Portillo, in a very difficult period in 1982, the period of the Malvinas War, in which the states were broken apart from one another.

So now, we've come to a time that these states are beginning to come back together. This is extremely important. So now, the question is, what do we do, if we decide to work together as nations? What do we do with that power, to deal with the crisis?

Leadership Crisis in Washington

Well, there are two levels. First of all, is the role of the United States. We have a major struggle inside the United States. The majority of forces want to get rid of both Bush and Cheney, both parties, to get rid of them, at the top down. The problem we have: We don't want to get rid of Bush until we first have gotten rid of Cheney. Bush is a mental case: That's not a description, that's a technical classification of his mental condition. It's serious. This is a psychiatric diagnosis of this man's behavior. He's essentially a clown, a fool, who was stuck in there at the time they wanted a fool in the Presidency. The real control lies with people like George Shultz, and an international financier syndicate. They're vicious; there is no difference between them and the Nazis.

Let me just tell you one little story about this, which makes it clear. The United States went to war against Iraq based on lies. The whole war was based on *lies*, and everyone in leadership in the Congress knows it, especially the Senate. Senators who met with Cheney and so forth, said, "That man

sat in my office and lied to me!"

They want to get rid of him. But what he did was this, two phases. First of all, we went to a war in Iraq, which was totally unwarranted, no reason for it. After a short period, after the start of the conflict, the government of Iraq surrendered to U.S. forces. You had a U.S. military officer, General Garner, who was assigned to administer the occupied territory. General Garner and his people negotiated with the Iraqi military generals. They also negotiated with the official bureaucracy of the government of Iraq, and they reached an agreement. At that point, Cheney and Company, back in the United States, went wild. They pulled Garner out. He was replaced by a fellow called Bremer, who was a stooge for George Shultz.

Now, what they did, is they brought in Halliburton and other private companies, to replace military forces of the U.S. government with private contractors! This was not just for logistical functions, for *combat functions*. This is what the Nazis did in Germany, when in the course of the war, they replaced the Wehrmacht, the regular army, by the SS. The SS essentially was a private army.

The tendency now in the United States, and in England and elsewhere, is to replace regular armies by private armies controlled by vast financial syndicates. This is a return to feudalism in a time when the Venetian bankers used the Norman chivalry to control the world and fight Crusades. This is what the plan is, and this is what is active.

We know we have to get rid of it.

There are political weaknesses in the generation which is running the United States. People of my generation would have gotten rid of this mess already. The generation of people between the age of 50 and 65 is not the same. They tend to vacillate; they don't make good business executives, and they generally don't make good government officials.

But therefore, nonetheless, we have to solve the problem.

Now, in the United States, there's a plan, an effort to get out of Iraq. The condition in Iraq of the U.S. military forces is worse than it was in Indo-China at the worst. We have to get the U.S. troops out, or they'll face a *disaster* for the entire force. The whole situation degenerated. Because of this, there are groups in the United States, in both parties and other forces, to bring in Turkey, Iran, and other countries, as partners in an arrangement to stabilize the region. So, the situation is not impossible, the situation is extremely dangerous, and the problem centers on certain groups of bankers, typified by the American banker, Felix Rohatyn, who financed putting the Nazi Pinochet into power in Chile. These types of bankers, the types of bankers that brought Hitler to power in Germany. So, it's an extremely dangerous situation.

But that means, in this situation, you can not assume that the Bush Administration is a legal administration which is going to be in power for the next three years. It is not the stable, legitimate government of the United States. There is a plan to get rid of Cheney first, and Bush second. It's a serious effort, which people realize they have to do, to save the nation, and other things. But it has to be done within our constitutional terms: Essentially, it's impeachment or induced resignation.

We're having an election in November, a general election, a mid-term election, so that by the end of the year, we'll either be headed for dictatorship in the United States, or we'll be rid of this mess in Washington, and we will either have begun to deal with the crisis which is coming on now, or we'll be in a world financial crisis beyond anything that any of you can imagine.

No Blueprint for Mexico

In a situation like this, knowing that a country such as Mexico has limited power in this situation, the most important thing is to have a growing number of people, or responsible people in society, who first of all understand the situation. You can never, in a situation like this, as in war, you can not make a plan, a blueprint. What you need is a strategic perspective, which allows commanders in warfare, for example, to conduct warfare, competently, in a situation which has a great degree of unpredictability, uncertainty. But if you have the leadership and understanding of what the problem is, then leadership can make intelligent responses to changes, whereas a leadership that doesn't understand the situation, will create a disaster. And therefore, the most important thing now, in every country such as Mexico, is understanding of the problem, understanding of the possibilities, understanding the issues.

And, as I say, the most important thing in this, we have, in respect to South and Central America, you have the potentiality of cooperation from inside the United States with those forces who are opposed to the Bush-Cheney Administration. This is affected by the fact that you have a very large Hispanic tradition in the United States. There is strong influence of the Hispanic tradition in the United States, especially in the

Democratic Party, which is best organized in California. That's an internal factor. And therefore, in the border relationships between the United States and Mexico, this is very important. And we also have the nations of South America, which have a natural affinity for cooperation with Mexico on hemispheric issues. These are our assets, as opposed to what we might have as assets in the other parts of the world.

Power and Water

Therefore, as I've said in the meetings I've had here, we need a policy for the reconstruction of Mexico. Now, this coincides with the world situation, as I said at the Tec.¹ Everyone in the world who understands the world's problems, has now come to a general agreement on a rapid return to investment in nuclear power. This is not only because of the price of petroleum. Petroleum has a limited future as merely a fuel; it has an important future as a chemical feedstock. We will tend to go, instead, toward fuels which are produced by nuclear fission. As a general agreement, we're going back to nuclear power, and more or less rapidly: This is China, this is Russia, this is France, this is Brazil, so forth. A general understanding, we are going back to a nuclear-based economy, as a perspective.

Now, of course, in Mexico, as I said at the Tec, the greatest problem we have in Mexico is water. That is not a Mexico problem, that is a worldwide problem; but it's especially a problem for Mexico, because of the dry areas of the north, especially between the two Sierra Madres.

Now, there's only one way that we can get an adequate flow of water for human consumption and similar things, agriculture, and that is with nuclear power. There are sources of water in Mexico in the south which you can bring across the mountains into the area between the Sierra Madres, or along the west coast, the Pacific Coast, up to the PLHINO.² That's possible. But that's not enough. You look at the ratio of use of water in the agricultural areas close to the U.S. border: You have a critical situation there, in terms of water use. In Mexico City you have a catastrophe in water. In most of the rest of the country, you have important problems.

Now, two things are in the future on nuclear power, right now: As you know, back in the early 1980s, Mexico had a policy for building 20 nuclear plants. Much of this was concentrated on the northern part of Mexico, as intention, in order to create new cities. Instead of having Mexico City grow too large, create more cities and have the population grow in many parts of Mexico.

The second thing is, we will go into a new kind of industry of producing hydrogen-based fuels. This is already under way

1. LaRouche's speech at the Monterrey Technological Institute—known as the Tec—appeared in last week's *EIR*.

2. The Northwest Hydraulic Plan (PLHINO) would bring water north along the Pacific Coast. Some nine dams which are part of the PLHINO have been built; six remain to be constructed to complete the project.—ed.



United Nations

An irrigation canal leading from the Alvaro Obregón Dam on the Yaqui River. Mexico's greatest problem is water, and the only solution is to develop nuclear power for desalination.

as a policy within certain countries and within their industries. For example, Japan is going toward hydrogen-based hybrid cars. Ford Motor Co. people have a similar undertaking; in Germany, a similar kind of thing. So, we're going to change the character of automobiles.

Now to produce hydrogen-based fuels, by fission power, requires about 800 MW power to get the intensity of power needed; whereas you can use a 120 to 200 MW plant for all kinds of things, water, and so on.

Also, we need, of course, transportation, and Mexico should actually have a rail line from the Mexican border to Mexico City—it's an insult not to have it! If you're going to unify the country, you have to do it! And it would help to move things around.

This will be popular. Argentina will go in that direction. Brazil has already adopted the intention. Other countries will. So what we're going to need, first of all, is we're going to make the Mexican population in the north of Mexico stable: This requires water. It requires new cities. It requires making these areas, areas of development, not areas of cheap labor. Whereas you have a crisis already, in the number of people from Mexico going into the United States as virtual slave labor, which is a security risk in this area; therefore, we have to think about building up northern Mexico, but with things which involve power and water to transform the environment. It can be done, it's not a great intellectual challenge, just a lot of work.

So, we need a clear perspective, not only of the nature of

the crisis, as a global crisis, we have to have a spearhead conception of what we're going to do to rebuild the economy. And it's very important to have a shared conception of objectives among the nations of the hemisphere.

Youth Are Our Future

Now, we have a third point: young adults, organized young adults. I have made myself an expert in young adults, and we've conducted some work, which demonstrates that I know what I'm doing. And I'm telling our friends here in Mexico who are older, what they have to learn, to deal with fine children, like the children of my friend here, Benjamín. That the children—they're not children, they're adults, 18 to 25 years of age and so forth.

Now, first of all, they are the future. They are the future of politics. If you were to invest in Mexico, you have to invest in the future of these young people, because all your important investments in Mexico, capital investments,

have a life of 25 years investment, or 50 years investment: a nuclear plant, 30 years investment, 35 years investment. Water systems, 50 years investment. Who is going to do this? You're talking about a society which is going to be under the management of young people today, who are 18 to 25 years of age. But the very youth you need for this, young adults, are largely demoralized, because they don't see a future. So you should call these young adults, "the future, the generation of the future." Not only a generation to inhabit the future, but a generation which will *create the future!*

Now, the problem today, is that most young people are unqualified to do much of anything. Education is a disaster. Familiarity with productive work is not there. So, now you have to create a cadre leadership among young people who will take leadership among other young people, to take *your children*, your adult children, that generation, and transform that into a force. This is emerging, with our experience in the Americas. We have a small group of young Argentines—they're creative, they have a lot of initiative, and they are treated well by President Kirchner of Argentina, who knows what they are. He knows they're close to me, and he's not stupid.

So, we have the potential throughout the hemisphere, of building among nations, a growing movement among young adult youth. And I've been working on how to do that. And it's working. And what we're going to do in the coming period, is to try to accelerate this process. The youth groups will be the citizens of a sovereign nation in each case, but they will

cooperate with the youth from other nations, to bring the nations closer together in a practical way.

We have to build an alliance of the sovereign states of the Americas in the Western Hemisphere. And we have to use that to help unify Mexico for itself and to bring together the governments of the hemisphere for the kinds of large-scale cooperation, especially around the ideas of the investments of 25 to 50 years duration. The question of water and power is simply the point of the spear. Everything has to be done, everything needs to be done.

The Fundamental Issue of Culture

What we've done is we've gone back to deal with one problem which has not been dealt with in society heretofore: the distinction of European culture, civilization, from Asian culture for example, is traced from ancient Greece, from Thales, from the Pythagoreans, from Solon of Athens, from Plato. Now, the characteristic of the society, in ancient Greece among these circles, was that there was a scientific understanding of the difference between a man and a monkey, which most governments don't understand today. The individual human being has a quality that distinguishes the human being from all animals: the ability to discover a universal physical principle, not only as an effect, but as a matter of knowledge, as a matter of practical knowledge. This we call scientific and Classical cultural progress. And in modern education, even in leading universities, this principle is no longer understood. So, we're taking the whole scan from ancient Greece, the Pythagoreans, Archytas, and so forth, and we're having the young people in the Youth Movement re-experience the act of discovery of these principles as a history of this process of discovery from ancient Greece into modern times.

It's not enough to have people who have learned lessons in engineering school and so forth, that's not enough. You must develop the powers of actual creativity, scientific and artistic creativity, because we don't want people who are good at work—that's not good enough: We want people who can revolutionize society in art and technology. And when you have that sense, that in you, you're expressing true creativity of that type, you have a true sense of man in the image of the Creator, where we're trying to teach them today to become talking monkeys. There's a moral aspect to this, that the individual who understands that value of the human being *has optimism*, optimism about the nature of man, optimism about what we can accomplish: the unbeatables.

So, we'll take these youth, who, as most of you know, are poor; their economic opportunities are poor; their educational opportunities are poor: But they all have this divine potential within them. Some among them will respond to that opportunity. Those who respond to that challenge, are the leaders of the future. So, we should think of building, not just because you have this common Spanish language in particular, the south—so therefore, you have a chance of cooperation in ideas, common ideas, common projects, common interests,

among a group of sovereign nation-states in the hemisphere. Most of these nations are weak, but united as sovereign nations with one another in common cause, they're strong.

That's what we're up to doing!

Thank you.

Dialogue With LaRouche

The questions were transcribed from the English simultaneous translation.

Q: I'm a university professor. I want to ask two questions. Where can I find official information about the bankers' support of Hitler, how much did they support him, and what benefit did they accrue from that? That's one question.

If the United States Army pulls out of Iraq, what should the stages be, and who would fill the vacuum that the U.S. Army would leave behind? So, what would be the stages, so we would know that that process is indeed under way, and how would this be beneficial to that region?

Achieving Stability in Iraq

LaRouche: What we have now is, we have a general discussion of this in leading circles. We have in the United States—on the Iraq thing first, I'll go back to the [Hitler question].

You have Senator Warner, who is the head of the Senate Armed Services Committee, who is a Republican by the way, and he is heading up a study group so-called, with about 29 or more other Senators. Now, a lot of my friends who are in the military intelligence and other functions, mostly retired military, but who are people who still have—. So, they are in this. What we're doing, is we're picking up on an offer that was made when Clinton was President, from Iran, from then-President Khatami and Khamenei, the key controller of Iran, an offer of cooperation. Now, this thing has been turned down repeatedly by people in the United States. Iraq is now divided into three elements: the south, which is the Shi'a area; the north which is Kurdish, a quasi-autonomous section of Iraq called the Kurdish area, under the leadership of Talabani. Now Turkey has made an agreement with the Kurdish regional government, which in a sense is to try to prevent a revolt among Kurds across the border. So therefore, Turkey is a very key element in stability there. Iran is key. There's also an organization of Islamic organizations, which it is the intention of some of us to bring into this as a controlling factor. And other people in Europe, Russia and so forth.

So, we have a group of guarantors whose function is to assist us in getting stability in Iraq. And at the same time, we pull ourselves back into a rear area to assist these people, but for exiting, too. So, we would be in a process of withdrawing—not running away, but withdrawing. So, that would work.

The Problem of Fascism—Then and Now

Now, on the Hitler thing: This a long story and I can make sure that you get—I think my friend here, Benjamín, can be reliable for this—we have published an extensive number of reports on this subject. We are, in a sense among the world's experts on this right now. But, essentially, to reduce it to the simplest terms, the British and others in Europe wished to get the United States out of Europe. This group, which had supporters in the United States, backed Hitler. Hitler was actually brought directly into power through the Bank for International Settlements out of Basel. It happened over this period, 1928—Schacht, who was a key banker in Germany, retired from that position temporarily, in order to set the Hitler program into motion. The Hitler Project was set up by the Bank of England, Montagu Norman, and the House of Harriman in New York City was a key financier of Hitler's party, to bring him to power. The official of Harriman who wrote the check was Prescott Bush, the grandfather of the current President of the United States.

The key organization in this, the center of the organization, was also in France. Lazard Frères is typical of this; in the United States, Lazard Frères, which existed at the same time—and was behind the fascists—is Lazard Brothers. The key figure of Lazard Brothers' offshoot today, is Felix Rohatyn, who financed bringing to power Pinochet, and is a leading supporter of the proposal of replacing the U.S. military forces by mercenary forces controlled by financial corporations, which, for those of us who know this, is a return to the SS conception of the Nazis.

You have a security problem right in Mexico, too, of a type we have in other parts of the Americas. You have military officers who are trained as Special Forces, or the equivalent; they're trained at Ft. Bragg, for example. Now, what they do, is they take these military officers and they'll deploy them in an operation in certain areas. As we see in Colombia, they use drugs to set up an operation controlled by these retired military, who run a local dictatorship and finance it largely on drugs, and take over whole sections of a country. This kind of operation is run by the British in various areas of the world.

So, the great danger today, is the replacement of elected sovereign government by a kind of a modern equivalent of an SS government, professionally trained killers, running as a control mechanism for a drug-based operation taking over sections of a country, or an entire country. So, we have the same thing today. And it's important to understand these things now, from the standpoint of the history of this kind of thing.

But fascism is not the real purpose of the operation: Fascism is a name we give to a certain form of operation. Look back in history, look to about 1000 A.D., to about 1380 A.D., when most of Europe, medieval Europe was run by the Venetian bankers using the Norman chivalry. Now, in this period, take the fact that Charlemagne had been closely allied with the Baghdad Caliphate; so, for example, in Spain before 1480,

1492, you had, in terms of religion, you had peaceful relations among the religions in Spain—the Moors, the Jews, and the Christians. You had wars among states, but not religious wars. That was an extension of the Baghdad Caliphate, in terms of history.

So, what happened was, Europe was changed, by saying "Islam is the enemy." You had a dictatorship in Europe run by Venetian bankers in which the Norman chivalry, called the Crusaders, was conducting wars *perpetually* over this period.

So, what we're getting today, again, you're getting groups of financial interests, predatory financial interests, who are using mercenary armies around a program of "the enemy is Islam." And this whole mess was organized by major intelligence services associated with these financial interests. You look at, for example, you look at the question of the Napoleonic Wars: Napoleon's image was based on this. The Napoleonic image was used for creating the Nazis, same thing.

So, we had this recurrence of the attempt to destroy modern European civilization, for a return to a modern parody of the Roman Empire, in which the Roman Empire was constantly at wars, killing people, setting up puppet governments, and so forth. Such an empire could not succeed today, but failing to defeat it, could mean the end of civilization for some time to come. . . .

Reform of Education

Q: I'm a university professor, and I'm part of the municipal government of the municipality of Monterrey. I have a very concrete question: If you think that education today is a disaster, how do we then encourage the scientific and artistic creativity which you are posing?

LaRouche: Well, we're doing this in the United States, we're doing it in Germany in a significant way. We have pockets of people in Mexico, other parts of the Americas who are doing this, and as I said, the key thing is of course, it all involves history, but not the history of events, but the history of ideas, as ideas shape events. So that, what we do, is essentially I concentrate on two areas: Dealing with economy, which I have a sort of a unique competence in this area, but then to get the youth themselves organized in the following way. Based on educational experience, a unit of education for me is 15 to 25 persons, approximately. Because, we're interested in discussing ideas, not learning facts: discussing ideas. With the idea that the person in the group should actually experience the discovery, not just learn about it. So therefore, as in a school, if you have the money, you want not less than 15 and not more than 25 students in a classroom; because you must have enough to stimulate discussion, and not so many that you leave somebody out. You want a strong interaction among the group of students.

Now, the students must do most of the education themselves. They must participate in their education, by having people who steer them to that experience, challenge them.

So, we picked two areas: the history of science from an-



EIRNS/Sergio Oswaldo Barbosa García

"The ideal social process is choral music, Classical choral music, where it's rigorous. . . . And music works like magic, this kind of singing." Here, LaRouche Youth Movement members at a meeting with LaRouche on April 1.

cient Greece to Riemann and Einstein. They should actually have a conception, not necessarily become the greatest scientists (some will become that), but it must be an organic part of their culture. The second thing, we insist on Classical singing, in the tradition of Bach. Because, only in Classical composition do you actually force in choral work, with a good director—because a chorus is different than an individual soloist—to get what musical ideas are. Because, there are two areas: One area is, what the individual mind must understand about nature. But it's also what the individual mind must understand about social processes. The ideal social process is choral music, Classical choral music, where it's rigorous. Because in that case, the individual musician or singer realizes that, for example, a Bach motet is a social process. Therefore you must understand social processes, not just individual relationships to nature.

And music works like magic, this kind of singing: It's something which we've used in history, in modern European history—we've used with poor people. For example, you have groups in Mexico, in former times, I guess still today, of choruses organized of poor children, from poor families, which is a weapon for uplifting the mind and the sense of personality of the young person.

So, what you need, I think is pilot groups—not discriminatory, but pilot groups of young people who actually will want this kind of education. And that becomes an influence which spreads in society.

I've had some very rewarding experiences in recent years,

in getting this done. Most of this material is available. You can get access to what we've done on this; we're recording things, what we've done on this subject. We've done a lot. Of course, our largest concentration is in California. In California, our youth organization has become over the recent six years, has become an important leading factor in the Democratic Party. It works!

Left Wing and Right Wing Converge

Q: I'm an official of the Grand Lodge of the State of Nuevo León. First of all I would like to congratulate you, because I knew of Noam Chomsky, a brave intellectual university professor in the United States, but, it's even greater to hear you in person.

This is my question: What is your view of the leftist movement in Argentina, in Chile, Uruguay, Brazil, Venezuela, and now Mexico, movements which I identify with this new process of the economy? Given the new generations, or the generations from 1968, the generations that are pushing this economic dynamic forward?

LaRouche: You've got two problems here. The big problem of the left is a generic problem, is that a certain aspect of the left and the right are the same thing. For example, the development of the Synarchist organizations in Europe, which were created, actually in the late 18th Century, and which were behind Napoleon Bonaparte for example. Among the most famous of these agents, was a Russian who was actually a British agent, called Parvus, Alexander Helphand,

who in a sense was the mentor of Leon Trotsky.

Now, in France, in particular, the Synarchism means an-
archo-syndicalism, and this is the doctrine of the Cheney
crowd inside the U.S. government. The slogan is the same
one that Parvus taught to Trotsky, which is why so many of
the people in the Cheney apparatus are Trotskyists. Because,
they believe in “permanent war/permanent revolution.”
That’s their slogan. The idea is, always to destroy the existing
government, and therefore, you attack it from the left or from
the right. When you deal with the left, or the so-called left, as
in the case of the Cheney backing of the neo-cons, so-called,
you’re dealing with an interchangeable right/left revolution-
ary tendency. It can go both ways.

Now, the problem is that you have people also called left,
who have nothing to do with this. What Pinochet would call
the left—anybody who is for freedom against repression!
Anyone who defends human rights. The ordinary populist, for
example, appeals to the people. He has no pernicious schemes
going, but he’s just with the people.

Now, under repression, in the United States in part, or
throughout the Americas, particularly when Henry Kissinger
and so forth was doing what he was doing, you have repres-
sion. Take the case of Fidel Castro: Fidel Castro was origi-
nally right wing, actually while he was a revolutionary, and
with the development in the course of the revolution, the
Cuban revolution, he adopted a left-wing posture. And, back
when I was in management consulting, I had a person working
for me who was a cousin of the President of Venezuela, and
I knew a whole list of these people, through him and others,
from the Caribbean area, who went to similar schools, they
travelled from one place to another and met with one another
socially, so you would have whole families in which people
would have the right wing, the left wing, everything altogether
in this group.

Now, when I deal with this problem—and I do have to
deal with it often; for example, take the present government
of Venezuela, which has an interesting history: It’s part of
this process. And so, therefore, what I do, is, deal on the
principle of sovereignty. I have my purposes. I don’t ask peo-
ple to be identical with me. I try to find out how to work with
them. Some, you can’t work with. With most governments
you can work. You deal with the situation.

Look, for example, at South America today. Néstor Kirchner
is one type of person, pretty good person. You have a
more leftist person in Chile. But that’s good, because we
ended the Southern Cone warfare, for the time being.

You have a problem in Bolivia; I have friends in Bolivia,
who are watching the situation! But, I don’t believe in making
harsh categorical distinctions. I’m old enough, I have a pretty
good idea of what goes on in the world. My objectives are the
objectives I state; but I’m also a diplomat. And it’s good for
humanity to be diplomatic with people with whom you do not
necessarily agree. As long as you continue to collaborate on
some important common causes—do it!

And generations come and go. The good we will do in our
generation, will pass on to the future. I don’t try to solve all
problems in my lifetime, only the ones which are immediately
before me. And the left, to me, is not really a problem, except
this one factor: There are certain circles, who have been used
by intelligence circles, like the case of Parvus, Alexander
Helphand, is typical—I know these people, they’re a prob-
lem! But in general, the leftist/rightist thing never meant much
to me. As long as a person has an active brain, and will follow
their conscience, you can generally find a way to work with
them!

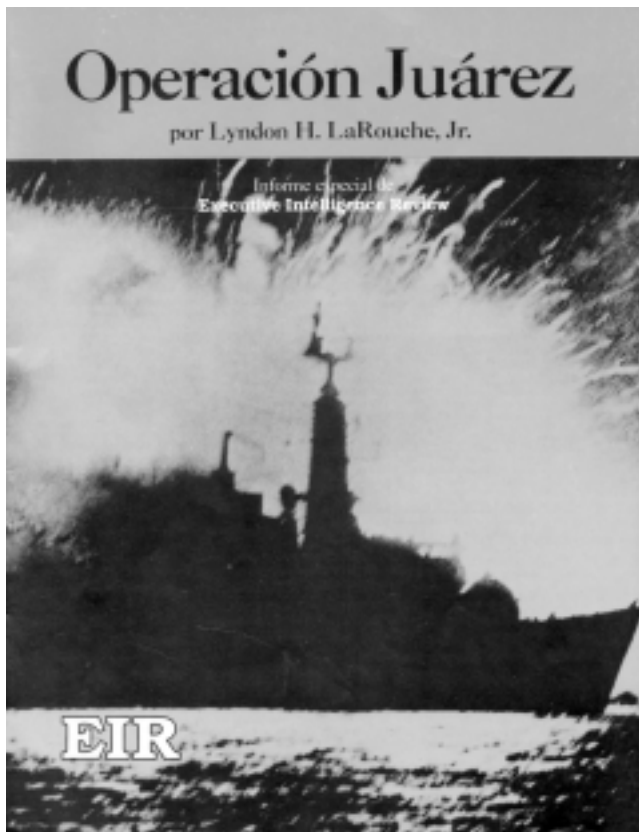
Dealing With the Debt: Operation Juárez

Q: Everything seems to indicate that Mexico is going to repli-
cate, in its electoral process, what’s happening in South
America. And what comes to mind is, we’re going to enter
an interregnum, where the demand that a certain candidate
remain ahead in the polls, based on a speech where he prom-
ises to change the economic policy, there’s a general tension
around this in the country. So, my specific question is, it seems
to me we’re going to be entering a phase, an interregnum of
immediate action, which is going to face us with a discussion
which you’ve been raising here, the question of money and
credit. And, I look at the mirror of Argentina, at what Kirchner
has done there, and the problem of the vulture funds. So the
question is, in the case of Fobaproa, which was the bailout of
the Mexican banks, which is an amount of money which is
similar to the vulture funds that existed in Argentina, should
it receive the same treatment that the vulture funds received
in Argentina? To then use that to convert it into credit for
infrastructure that would benefit national development?

LaRouche: I laid this out in *Operation Juárez* in 1982, when
we faced exactly this thing, before it happened—this was
Aug. 2, just before the crisis broke out; because I knew about
it, because I had this meeting with López Portillo and others,
which prompted me to write this.

Now, what I proposed then, and I proposed to the U.S.
government with which I then had friendly relations, was that
we take the debt of the nations of the Americas; we rewrite it
in the following way. You may adjust it, for legitimate/not-
legitimate, but in the end there’s a certain legitimate portion.
So what you do, is you take the debt, and you put in a new
agency, which I proposed as *Operation Juárez*. Put the debt
in a new agency, and use the debt for credit for development.
In other words, you take the debt, which has a term of when
it’s going to be paid in the future, you rewrite the debt with
assigned terms of payment schedule; now you place that debt
in the custody of a new institution, a credit institution. Now,
you can borrow from that institution, which now has the debt
as security. And the basic thing I proposed was a 25 to 50
years perspective. The Americas then needed a perspective
of 25 to 50 years to rebuild the damage that had been done.

See, you have two kinds of debt you can create under
these circumstances. Under the U.S. Constitution, we are a



LaRouche's document on "Operation Juárez" was issued in English and Spanish in 1982, pointing the way toward integration of the Ibero-American nations—hopefully, in cooperation with the United States. The document was widely studied throughout Ibero-America. It's available on www.wlym.com.

credit economy, not a monetary economy; that is, money does not control us, we control money. So therefore, we issue credit by authorization of the Congress. And we can loan that credit internally, and if we're smart we loan it for capital improvements, not for spending. Other countries do not have constitutional structures which can do that, though the U.S. Constitution has a big influence in the Americas, as you'll find echoes of this all through the constitutions.

So therefore, you have a mixed approach. One thing is the existing capability of government to create credit. More significant, now, is to get this debt reorganized, the legitimate debt, especially the state debt. So the state debt can be converted into a common institution of the Americas, of which the governments of the Americas are the partners. Now this agency can function as an international monetary credit institution for categories of projects which are say 25 to 50 years of approved categories. Which means that you have a new kind of diplomacy which is looking at development.

Take for example, the case of the Amazon: How many parts of South America are directly involved in the Amazon? What would be the significance of an Amazon development project? Hmm? So, that's the kind of approach which we

probably would use, in the Americas itself.

See, we have inside the Americas, we have certain affinities, cultural, constitutional affinities. So therefore, it's easier for us to work together, than it is to work with other parts of the world in this kind of project. In dealing with Eurasia, we have to take a different approach. The principles are the same, but the realities are different.

The Immigration Problem

Q: Some businessmen in Mexico are very, very scared about the collapse of the internal market in the country, and they identify the bankers and the multinationals as predators and a big danger for the national businessmen. Some of them, when they've heard the proposal for saving General Motors, the U.S. auto sector, think that it's all the same for the internal market in Mexico, whether General Motors is saved or not. And some people are even happy, because they figure the more General Motors collapses the more opportunities there'll be for the *maquiladoras* in Mexico. I would like you to say something about this, so we can communicate this to these other people.

LaRouche: This becomes a very interesting problem right now, because of the border relations of northern Mexico with the United States. As you may recall, back at the time that López Portillo was President, before the crisis, this came up in a form which has come up again now, and the question is, what about the undocumented workers—Mexicans—in the United States? So, I had communication with the Presidency here in Mexico on this subject, as to how they would react to my views on this matter. I also was pushing the same issue inside the government under Ronald Reagan at the time.

Now, the point is, the essential thing, today again, in a more acute way, what we need is one law—not a complicated law, or arrangements, this, that, and so forth. What you need is a very simple basic law, agreed upon as a treaty agreement between Mexico and the United States, a partnership. Not dictated by the United States, but a partnership: Simply that the undocumented people of Mexican nationality in the United States should be given a document, whatever their status; a document which says they are a national of Mexico, who has natural rights recognized under U.S. law, that if they get into any trouble, or have any problem, they go to an authorized consular representative of the Republic of Mexico. And since we have a lot of Mexicans in the United States, or people of Mexican descent, it's worthwhile to have a lot of consular officials, especially in those parts of the country.

So therefore, don't try to settle it! Simply have the idea that this is a Mexican national, or a relative of a Mexican national, who has a problem, a problem that he raises, or a problem that hits him. So therefore, the issue of what happens to that person becomes a matter of diplomacy between the United States government and the Mexican government, the Federal government.

Now, this leads to other implications. That gets rid of the

mess—you don't have any decrees, you don't need any of this stuff. If this person has a card saying they're a Mexican national, they have a right to consular service. The consular service means that the issue now comes between the U.S. government and the consular service of Mexico.

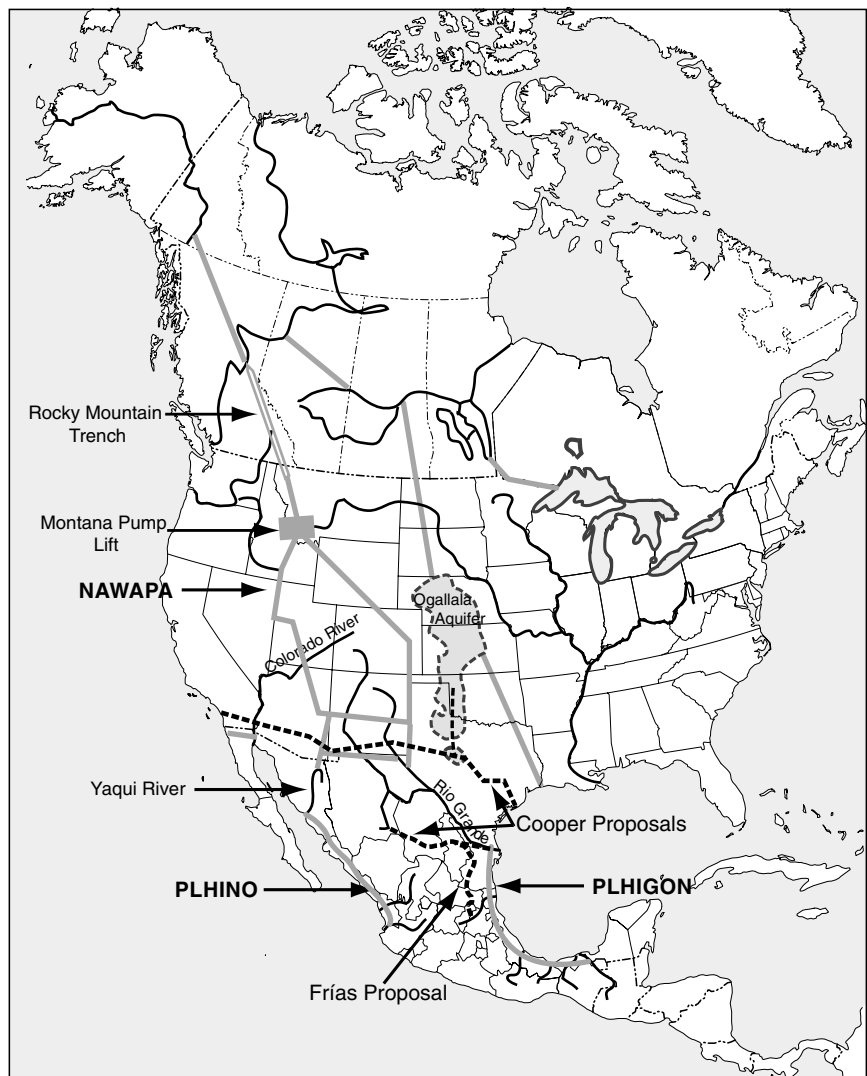
Now what do we do with it? What do we do with the mess? Now, our concern therefore, a practical solution to the problem, follows the line I presented at the Tec, here. We take this area, particularly northern Mexico, like five states along the border, which borders chiefly New Mexico and Texas, that's where the concentration is. Therefore, what we're looking at is the question of a development program which is in the interest of both countries, which is going to create growth, economic growth inside these areas of northern Mexico.

Three things are required, essentially, leading efforts. They're all infrastructure projects: power, water, transportation. So therefore, if you are creating a situation, don't worry about the Mexicans in the United States, that's a consular matter; that's not the problem. The problem is the situation in the northern states of Mexico, where a lack of development is a problem which is a problem for both countries. So therefore, it is in the interests of the United States, for practical reasons, to assist Mexico in certain projects which will permit the states of northern Mexico to deal with their problem!

The problem of water, which I picked on here, is crucial, because the entire region, coming down from the border of Canada, down between the Sierra Madres is *one unit area*, in terms of characteristic of the area. It is a *water-deficit area*. Now, we have a project to move water from Canada all the way down to northern Mexico, the so-called Parsons Company project [Figure 1]. We have things we can do, in terms that affect Mexico, of moving Mexican water from the south toward the north. But we actually have a big ecological project of developing this entire area *both* in the United States and in Mexico, where the characteristics of the problem are common to both sides of the border.

FIGURE 1

North America: Great Water Projects



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

So therefore, what we need to think of, particularly in a crisis now, is to start projects which are infrastructure projects which will start to employ people in Mexico, in long-term capital development. This will absorb a part of the otherwise idle labor force. It won't be efficient at first, but it will improve: five, six years, you'll see a significant improvement. So therefore, we need this kind of combination.

This means capital investment. This means creating credit, which is long-term credit at low interest rates, where a credit system is available that *both* sides of the border can get access to this credit for approved purposes.

In all of these cases, my belief is that there's usually a

diplomatic solution. And it always involves development, it always involves upgrading people from lower conditions of life to better conditions of life. It means education; it means the ability of local governments in Mexico to help their own people. It means making people happy, and making people happy really is a cure for many problems.

The Mexican Presidential Elections

Q: I'm also an official of the Grand Lodge of Nuevo León. In Mexico with every Presidential change, there has been a series of devaluations which affect the productivity in the economy of the country. In this current period, it's a period of very important political change, and many people today feel disillusioned by the current government because they were expecting a positive change in productivity. But you can't have prosperity without social justice, so somehow or other, people with money, people who are productive with companies, have been happy that even though very gradually there has been a certain stability on monetary questions, the peso-dollar exchange rate—and there's been a gradual increase of production, that's produced a certain kind of stability. There are important fears among businessmen today, that this tendency we see, heading towards something which we could call a leftist or populist government, we're worried that this will overturn the apple cart of the stability and lead to a return to the problems of the past. That's my question.

LaRouche: Yes, well, this has two aspects to it. First of all, candidates for President in Mexico since 1982 have often never told what their true program was, and often did not know what it was. Because you have the silent program: the silent program which is dictated not only from above the border, but also from places in Europe. And the problem comes—which has been the problem in the hemisphere, which most patriots in the hemisphere will tell you about if they're knowledgeable—from Europe and from the United States, "the secret programs of the President are supplied—whether he likes it or not."

Now, as a practical matter, I do not interfere in the internal Presidential affairs of Mexico. I've had friends in it, but I don't interfere. Because I know I don't have to worry about it. What I have to worry about is the secret agenda dictated by foreign powers.

Because, you now face an election in Mexico, coming up in July. What person elected to President of Mexico, what can he do, to determine the policy of his own government? He is at present, whoever he is, he is not in a position to determine his policy! He's in a position to determine what his propaganda is! He is able to determine his position on minor things, which are not considered important to international bankers. But behind the scenes, the banking interests in the world, are going to tell the President of Mexico, who he is, and what he's going to do. And anyone who looks at this thing from inside Mexico, from my position of advantage in the United States or Europe, can tell you that.

The reason I'm not concerned, in any sense of real concern, of interventionist type of concern, is because, if in the United States, we get rid of this present administration, and we take a policy toward Mexico and the countries of South America, which corresponds to the historic orientation of the United States and John Quincy Adams, [Franklin D.] Roosevelt, Abraham Lincoln, the same thing as John Quincy Adams wrote as the so-called Monroe Doctrine: to protect the sovereign states of the Americas, as they became sovereign, against predatory invasions from Europe. For example, when we had won the Civil War in the United States, the United States government told the French to get the hell out of Mexico! You have the legacy of Franklin Roosevelt on the treaty negotiations he conducted.

See, the difference with the Americas is, we are either, as in the case of Mexico and Peru, we're in large degree descendants of indigenous people who were here, as in Mexico; otherwise we're people who came from Europe. We came with European civilization, to the Americas. And what we are, is a fusion of people who are descendants of people already here and Europeans who wanted states which were *free* of the control of European oligarchism, which is the common basis for our relationship.

We have terrible people among us. Everybody does. But the long-term historic interest, the common interest of the states of the Americas, is a people of many origins who take the best of European civilization, and develop sovereign nation-states in the Americas, based on that heritage. So, any time the United States has a Presidency, or institutions which recognize this, we are going to ensure that our influence among our friends is going to be to promote the opportunities of each state of the Americas to develop. If we get rid of the Bush-Cheney Administration and what it represents, which we may do soon, the force that will get rid of the Bush-Cheney Administration, faced with a great financial crisis, is going to put the emphasis on development. And under those conditions, with populations in Mexico and other parts of the world ready to explode, in a state of quasi-revolt, stability is going to depend upon the responsiveness to the demands of the people.

Our job is to provide the opportunities for those kinds of things which will be beneficial historically to the people in generations to come. For example, the relationship between the President of the United States and the President of Mexico on the question of the undocumented workers from Mexico in the United States: Our diplomatic relations between the two states will be such that those relations will largely shape the policies of the next government of Mexico.

And I think that *any* of the leading candidates who were to be elected as President of Mexico, would conform to that, whatever they were, whatever party. Because, the question is, who can govern Mexico? Who can provide something for the future of Mexico in time of crisis?

With a good President from the United States, a good government from the United States, I'm not worried about

any choice of President the Mexicans make. I mean, the question of the mayor of Mexico City, we know the hoax! I think I know the story fairly well. And his influence is not his populism, that's not his influence. His influence is seen by the people of Mexico City as a hero in fighting people who tried to deprive people of Mexico City of some advantage. And the attempt to victimize him for that, made him more popular—over the highway! He became popular because of the highway! And I know a number of other people who could be candidates for President of Mexico who probably in a sense are equally qualified. But his popularity is a historical fact of that nature. If I were President of the United States, I would respond accordingly. And our job is to make some good recommendations.

So, I'm not worried. I'm concerned sometimes about a lot of things, but—diplomacy is often better than force! If you're smart enough, you can always find a way to solve the problem.