

Editorial

The message from Panama City

At a meeting in Panama City August 8–11, delegations from all over Ibero-America gathered to debate the political issues facing their nations, and they resolved to take concrete steps toward economic integration.

A movement has now been born, which has the real potential to bring to fruition the detailed proposal made in 1982 by Lyndon LaRouche under the title of “Operation Juárez,” and later elaborated by the Schiller Institute’s Trade Union Commission as the book entitled *La Integración Iberoamericana*. This represents the most vibrant potential today, indeed the best that has ever existed, for actually creating a just New World Economic Order.

There are now two questions: How rapidly will the individuals gathered in Panama act to implement their resolutions; and will the United States respond positively to this golden historic opportunity?

LaRouche, it will be remembered, intersected the Ibero-American foreign debt crisis of 1982 with his proposal to show how the United States could help in a process that would reorganize the debt so as to launch a technology-vectored economic recovery, through an Ibero-American Common Market. LaRouche named his plan for Benito Juárez, the President of Mexico who had collaborated with Abraham Lincoln. He made the point then, that if the President of the United States backed such actions by his fellow hemispheric Presidents, he would be taking the essential action needed to restart economic growth in the United States itself and reverse two decades of post-industrial stagnation.

LaRouche also spelled out a more difficult path, for Ibero-American nations to “go it alone” if necessary with their own mutual resources, should the U.S. leadership stubbornly insist on sticking to its suicidally stupid, monetarist policies.

In 1982, the potential for world economic recovery was sabotaged, as country after country backed out of showing Mexico the support it needed for its sovereign stance against the international banks. Six years and countless unnecessary sufferings later, we now face another opportunity.

The 17th anniversary has just passed of the fateful decision of the U.S. Nixon administration, on Aug. 15, 1971, to detach the dollar from gold reserves and institute the floating exchange rates which cast the world monetary system adrift.

Despite all the cellophane tape and rubber bands applied by the Reagan administration, to keep up the appearance that the U.S. banking system is still solvent—at least until after the November presidential election—the situation is again veering out of control. The Federal Reserve has just raised the discount rate. A new wave of interest rate increases will unmask the Potemkin Village of “recovery” and strike fear into economic cabinets of every Ibero-American nation. Paul Volcker, the architect of the devastating interest rate increases of the Carter and Reagan administrations, which triggered the 1982 debt crisis, has remarked that the economy may not make it through August!

Meanwhile, the crisis of the external debt of our Ibero-American neighbors has come to a head again. An article in this issue details, nation by nation, the situation in which, despite all the willingness of most countries’ leaders to prostrate themselves before the international creditor banks, they simply don’t have the resources to make the payments now coming due. And the banks don’t have the resources to extend new credits. Despite all the treachery of national leaders, things are headed for a showdown.

Only under such acute crisis conditions does the ordinary citizen sometimes decide to revolt and change his country’s political leadership. The first signs came in the July Mexican elections, where the voters chose the anti-austerity dissident candidate Cuauhtémoc Cárdenas for President.

In Panama City, a relative handful of individuals took responsibility for providing moral leadership to this political ferment. If they continue to have the courage to lead, they will be followed. And that will pose the question to U.S. citizens, of how to bring to political power the policies of the one man the Ibero-Americans see as an ally in the United States, Lyndon LaRouche.