

# LaRouche Replies to Ibero-American Queries Provoked by His Webcast

*In addition to the high number of questions to Lyndon LaRouche during and after his June 16 webcast from especially the U.S. Senate (see Feature, page 7), numerous questions also came from Ibero-America. LaRouche's answers to some of these are reproduced below.*

## What Can We Do for Bolivia?

**Q:** I am from Peru and I heard your program, and I would like to know about how, from my position, I can help the LaRouche foundation. I am a journalist, but I work more on and am actually covering the situation in Bolivia right now. Thanks.

**LaRouche:** As you know, not only Ecuador, but Bolivia are now among the most threatened nations of South America. Ecuador was looted “to the bone” by a, chiefly, U.S. operation. Bolivia is currently threatened by a U.S. government’s refusal to collaborate with Bolivia on economic policy-measures which could ameliorate the conflict, which is not caused by, but is pivoted on the cocacero issue.

My policies for Ibero-America as a whole were presented during the Spring-Summer-Autumn [1982] crisis-events centered on the Malvinas War and the August-October Anglo-American effort to crush the independence of Mexico. These two developments set the pattern for the programs which have ruined Ibero-America up to the present day. During that period, in addition to my insistence that the U.S. government must honor the Rio treaty by forbidding British military operations against Argentina, I produced an Aug. 2, 1982 report titled “Operation Juárez,” which set the pattern for a comprehensive program of economic development of Ibero-America, and an accompanying U.S. affirmation of the defense of the sovereignty of the republics of the Americas consistent with the precedents set by Secretary of State and President John Quincy Adams, and by Presidents Abraham Lincoln and Franklin Roosevelt.

That pattern of policies from that time have been continued by me and my associates to the present day, but have since been situated within global policies of economic reform centered around my proposal for a “New Bretton Woods” agreement on reestablishing a global “New Bretton Woods” reform (a fixed-exchange-rate, protectionist system), in the spirit of the intention of U.S. President Franklin Roosevelt. (The latter policy has been adopted, as an explicit copy of my proposal, in a parliamentary resolution of Italy. There is a growing list of prominent signators from many nations.)

My present situation and outlook is, summarily, as follows.

The present world monetary-financial system has entered the terminal phase of an immediately threatened general economic collapse, worldwide. It is probable that the only action which could prevent that global collapse into something qualitatively far worse than that of 1929-33, would be the launching of the required emergency reforms by the United States. Although the present U.S. Bush-Cheney regime is hysterically opposed to any such reform, the pattern of rising collapse of the U.S. dollar and also global “hedge funds” has prompted a growing impulse for relevant reforms in leading Congressional and other circles in the U.S.A.

Under current IMF and U.S. policy, there is no hope for any nation of Central and South America, even in the relatively short term. However, a change in U.S.A. policy of the type indicated would suddenly and dramatically change the situation of Central and South America for the better.

I am certain that you understand, that the most dangerous influence among the peoples and governments of the Americas today, is cultural pessimism. To combat that pessimism, the people of these nations must have well-founded belief that there are actual policy-alternatives which would put the Americas as a whole (and other parts of the world) on an upward course. Therefore, the identification of the problems and moods of the populations and governments, combined with improved informing of the governments and peoples of potential solutions available, is a psychological weapon to be developed and used, in the effort to inspire cautious hope, and to improve alertness to dangers. The people of these nations need to know that the world knows of their situation—the dangers and the hopeful possibilities—and they need to know that the world has not overlooked them, or their plight, or their hopes.

## The Role of Money

**Q from Argentina:** Access to goods and services is by means of money. Therefore, money becomes an end in itself; the more money one has, the more access to goods and services. Money ends up “commanding” the wealth produced. What is a mere means to facilitate exchange becomes the key to all the doors of access to wealth. The effect substitutes for the true cause of wealth.

I think that if this problem is not resolved, a future New Bretton Woods such as what you are suggesting will just



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*LaRouche addresses students at the Monterrey Technical Institute in Monterrey, Mexico, on March 20, 2004. His policies for Ibero-America were presented during the Malvinas War crisis, and the Anglo-American effort to crush the independence of Mexico in 1982. "These two developments set the pattern for the programs which have ruined Ibero-America up to the present day."*

degenerate and end up on the slide into decadence, as occurred with the old Bretton Woods through 1971.

Isn't it time to think of a means to strip money of that power to "command," but which at the same time serves to facilitate exchange, or simply get rid of money and think of another different means to facilitate the exchange of wealth?

A "financial oligarchy" is an effect of the notion of giving money the power to command. In other words, when there exists the belief (either individually or collectively) that money commands wealth, then we have the conditions for a financial oligarchy to emerge which is going to feed that belief. If we want to eliminate the financial oligarchy, we should change the spontaneous beliefs of people with regard to the command of money.

In a system of physical economy, what role would money play? Would we conserve its power to command wealth?

In the event, that during an international conference of nations, other guidelines for international trade based on long-term bilateral treaties should emerge, how would the contracting countries settle accounts? In U.S. dollars? In physical goods? Through a synthetic market-basket as a unit of exchange? How would two nations settle the accounts of their trade?

**LaRouche:** As the decadent power of the Habsburgs and related relics of medieval feudalism fell prey to the rising imperial power of the new Venetian system of the Anglo-Dutch Liberal imperialism, the principal economic systems of the world were divided between the Anglo-Dutch Liberal system, on the one side, and American System of political-economy, on the other. It was the fear of the implications of the U.S. Declaration of Independence, which prompted the British East India Company of Lord Shelburne et al., to organize the French Revolutions of July 1789 through 1815, to isolate the influence of the U.S. republic by aid of drowning

all continental Europe in repeated continental wars, as it had done in the Liberals' rise to imperial power through the mutual weakening of continental powers through the Seven Years' War, which was concluded with the February 1763 Treaty of Paris.

The victory of the United States over the pro-slavery insurrection launched by the instruments of Britain's Lord Palmerston, established the U.S.A. as the leading nation-state power of the planet, creating a model of economic development which was extensively copied in Germany, Japan, and elsewhere, from 1877 onward, under the direct influence of the world's leading economist of that time, the U.S.A.'s Henry C. Carey.

In spite of the facts of modern economic history, academic and other dupes from around the world still chatter credulously about the "glories" and "obscenities" of "capitalism," as the notion of "capitalism" was spread by the British East India Company's Liberals through various channels, including Palmerston dupe Karl Marx, by British Foreign Office chiefs such as Jeremy Bentham and Lord Palmerston. The credulity of those who, including Marx and Lenin, like the religious fanatics whose spirit they copied in this point of belief, was enriched by the fact that the world's financial-monetary systems were controlled by a worldwide British Liberal system of control over the international finance, especially the Liberals' dominant position in controlling international financial loans to the present day.

The only important alternative to the British Liberal system of imperialism today, is the American System of political-economy, as described by the U.S. Republic's first Treasury Secretary Alexander Hamilton, as by Mathew C. Carey, his son Henry C. Carey, and Friedrich List. Abraham Lincoln's victory over Palmerston's puppets, the Confederacy, and the Hitler-like thief and butcher Maximilian of the Palmerston

puppet Napoleon III's Habsburg occupation of Mexico, ended the prospect of a British reconquest in North America, and established the American System of political-economy, copied in many parts of the world during the period following the London directed 1861-65 insurrection against the U.S. government.

Although the influence of the American System of political economy had been spread through patriotic circles of Central and South America during the earlier Nineteenth Century, the spread of the influence of the American System of political-economy, as the qualitative alternative to the damned British system of monetarism, peaked at various times during the period from Lincoln's victory through and beyond the death of President Franklin Roosevelt.

With the death of Franklin Roosevelt, his successor, Truman, proved to be a rotten dupe of the same right-wing financier cabals which had included the British and U.S. financier circles which had initially financed Mussolini's, Adolf Hitler's, and Francisco Franco's dictatorships. There had been a break with Hitler by some of these financiers, especially U.S.- and London-based, but only because Hitler had chosen to build up for a strike against France and Britain first, before attacking the Soviet Union. Once victory over Hitler was secured, the financiers who had temporarily supported Roosevelt out of expediency, went back to pushing fascist methods and objectives again. Thus the Truman Administration dropped nuclear weapons on Japan to launch a political commitment of the Anglo-American to building for a "preventive" nuclear attack on the Soviet Union, for the stated purpose of eliminating the nation-state throughout the planet, in favor of an explicit commitment to world government, or what is called "globalization" today. The objective of "pre-emptive" nuclear warfare was dropped because the Soviet Union had produced nuclear weapons, and had developed a thermonuclear weapon before the Anglo-American alliance had. We thus lived under "Mutual and Assured (thermonuclear) Destruction (MAD)" until 1989.

The thrust toward world government, and toward destruction of all vestiges of the American System of political-economy, came under President Nixon. The elimination of the American System was heralded as the uprooting of the Franklin Roosevelt influence. Indeed, Franklin Roosevelt based all of his leading reforms on the American System as that system was defined by such as both Alexander Hamilton and Hamilton's partner and Roosevelt ancestor, Isaac Roosevelt.

The relevance of that brief historical summary to your message, is the following.

The use of money is virtually unavoidable. However, the use of money and the system of monetarism are not coincident, except in the deranged minds of the neo-Venetian school of the dupes and other followers of Anglo-Dutch Liberals. For the same reason, the use of money in creating investment of physical capital, and in the conversion of profit from that

investment into a monetary form, or equivalent, is not the specific distinction of what the British and Marxists alike have called "capitalism." If we acknowledge the fact that many of the present crop of avowed "monetarists," such as the so-called Siena School or the quasi-fascist hooligans of the American Enterprise Institute and Mont Pelerin Society, are clinically insane, among their relatively less obnoxious qualities, the essential element of simple fact underlying the fanaticism of the current U.S. Bush Administration, is that the hatred of Franklin Roosevelt by these dangerous fanatics is an expression of the same hatred of the American System of political-economy expressed by the tools of Lord Shelburne and his Jeremy Bentham, and by Bentham's protégé Lord Palmerston, and by the launching of the policy of "world wars" under the Palmerston-trained Prince of Wales, later known as King Edward VII.

Money is money, as the finger-nail clippings of men and chimpanzees are finger-nail clippings, representatives of fundamentally distinct species of existences.

Under the American System of political-economy, the objectives of economic policy are physical, not monetary. The power of creating and regulating a currency and its circulation, is a constitutionally prescribed monopoly of government, as is regulation of trade. Taxation, as a monopoly of government, is crafted in such a way as to serve two purposes by the same means: to meet the obligations of government, and to favor those economic developments which are found to be in the public interest, or simply for fair treatment of members of the society. This aspect of the American System is sometimes referenced under the rubric of "fair trade" policies.

We do not let the circulation of money determine our fate. We choose our collective fate, and craft the creation, and circulation of money to bring about the fate a people has chosen through its lawful representatives. We do this by assuming governmental responsibility for the development and maintenance of the basic economic infrastructure which is required for the needs of all of the population and all of the territory, while entrusting the production of valuable innovations beyond that, to either private entrepreneurship or other expressions of the free, creative mental potential of individual persons.

The same principles expressed by the American System, are appropriate for relations among, as also within sovereign nation-states.

The broad challenge before all humanity today, is to unleash a program of global physical-economy recovery, which must rely largely upon long-term investment in the creation and development of basic economic infrastructure, chiefly as infrastructure supplied through the public sector of the world and national economies. This requires a fixed exchange-rate system, based on long-term simple-interest rates not in excess of 1-2% per annum. The credit needed for this and other expansion of useful investment must be generated, in a large



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*LaRouche Youth Movement members listen to LaRouche in Monterrey, Mexico, on March 19, 2004. LaRouche's Aug. 2, 1982 report, "Operation Juárez," set the pattern for a comprehensive program of economic development of Ibero-America.*

degree, by governments. Either by the creation of state credit, as under the U.S. Constitution's provisions for creation of public credit, or creation of large masses of public credit through long-term treaty agreements among trading partners.

Finally, I must include one further qualifying observation. The additional problem, reflected in the questions your message to me posed, is the common failure of virtually all notable contemporary writers on matters of principle in economics: that their mathematics is premised on the false assumption that economies are subject to mechanistic calculations. In fact, economies are not only processes of living things, but belong, as the great Vladimir I. Vernadsky emphasized, to a still higher order of processes than the simply organic, the Noösphere. What Vernadsky and I have defined, from our respective vantage-points, is that the required method must be based on rejection of the method of mechanics, to the methods appropriate for living processes, which Leibniz defined by his Classical distinction of dynamic from merely mechanical processes. On this point, virtually the entire sweep of contemporary economics is thoroughly bankrupt in its methods of attempted calculation. This is the reason for my relatively consistent, always accurate long-term forecasting, as compared to the distinctive failure of all of my putative rivals from the recent forty-odd years.

### **'Single Issues' vs. the National Interest**

**Q (from Argentina):** What is LaRouche's position with regard to birthrate (natality), abortion, contraception, euthanasia?

**LaRouche:** I am opposed to all simplistic treatments of these subjects in a "single-issue" mode. We must simply defend the principle of life in its form as human life. To defend life by single-issue methods, is to abandon the needed overthrow of the ideology of death represented by the Club of

Rome and also the so-called "environmentalists." You must also eliminate all further influence of organizations such as the Mont Pelerin Society, or kindred monetarist circles, whose methods will ensure mass-murder. The IMF and World Bank, and their supporters today, are today's mass-murderers on this count. To defend life you must prove you are pro-human-life by supporting my fight against the kinds of policies currently associated with the environmentalists and the present policies of the IMF and its co-thinkers.

**Q:** Good afternoon, Lyn, from the National University of Comahue in the city of Neuquen, Argentina. We greet you and would like to ask the following question: On the current situation in Bolivia, which has been destroyed by the same financial interests which now say they forgive the debt, there have been moments of tremendous uncertainty about the future of this country. What message would you give the Bolivian people, as well as its neighbors, to solve the ongoing crisis? What role should our political leaders play at this moment?

**LaRouche:** I would defend those people to the degree I have the power to do so. To defend them, however, means to defeat my enemies in the present Bush Administration in the U.S.A. today. The two tasks are inseparable.

**Q (from Argentina):** I am listening to Mr. LaRouche's presentation, in which he is talking about the development of the countries of the East and of Africa. I live in Argentina, and I would like to know his thoughts about economic policy with regard to Latin America.

**LaRouche:** Read my 1982 "Operation Juárez," in which I laid out the core of my continuing commitment to the defense of the development of the Ibero-American republics. I believe that a Spanish-language translation of that report might be available through the website.

**Q:** How can we integrate Latin America with a country which feels and acts like the policeman of the world and which limits us, not allowing us to develop?

**LaRouche:** It is not “my country” which is the oppressor. It is the pack of pro-fascist miscreants, spawned by the Anglo-Dutch Liberals of both Europe and Ibero-America, from whose grip I am determined to free my nation, and also yours.

You should consider the fact, that much of what has been done as evil to the nations and peoples of South and Central America was done by Nazis, including Hispanic Nazis from Spain, who infected the nations of Central and South America heavily during the 1936-1945 interval, and who were revived by an infusion of Nazis shipped into these nations from Europe, chiefly via Franco’s Spain, during the period after 1945. The Pinochet dictatorship and Operation Condor mass-murders in the Southern Cone region, are typical. The people behind the kind of oppression expressed by the Bush-Cheney regime today, are the same international financier-interests which brought Mussolini, Hitler, and Franco to power in Europe, injected the fascist movements into Ibero-America during the 1930s and later, and which controlled the right-wing gang, such as that behind U.S. President Truman, and also Bush-Cheney today. Include, most notably, that self-described “Liberal Imperialist” current of the British Fabian Society, which Tony Blair represents today.

### Questions From the Argentine Congress

**Q:** On Dec. 20, 2001, Argentina (the Banks) committed the biggest theft, confiscating \$30 billion that went straight to the U.S.A. (after the meltdown of gold bars in the Twin Towers). Whose money was that? Was it ever investigated inside the U.S.A.? Being that N.Y. courts have jurisdiction over debt (national forged debt to the IMF), how can we get the money back? How much of that money went to Israel? How many billions go to Israel annually? Why does the U.S.A. keep pumping billions into Israel?

**LaRouche:** Your question confuses several issues: 1) matters for which no known corroboration of the sources exists, but which you have picked up as real or false information received by you, and 2) the blending of issues of the Argentina debt-crisis with U.S. policy toward Israel.

“Forged debt to the U.S.A.” is not a meaningful statement. There is, however, a category of post-1971 fictitious debt of Argentina and other nations which was created under the pretext of an London-centered orchestration of the devaluation of currencies of nations such as those of Ibero-America. If debts created artificially under IMF and related advice were not included, then Ibero-America has already repaid its net foreign sovereign debts accrued since the 1971-72 replacement of the original Bretton Woods system by the post-August 1971 “floating exchange-rate” monetary system.

There is no direct relationship between those issues and the complex matters of U.S. relations with Israel.

Israel, on the other hand, does not control the U.S.A. Rather London and certain factions in the U.S. have used Israel as a virtual puppet since Secretary of State Rogers was replaced, under President Richard Nixon, by Secretary of State Henry Kissinger. Actually, British intelligence services have exerted a controlling influence over U.S. official policy toward Israel since the time Kissinger was installed as U.S. Secretary of State under Nixon.

**Q:** How would the value of a new international currency be determined? Would it be a unit of account, a currency based on gold standard, or a currency with a value based on a goods basket?

**LaRouche:** The fixed exchange-rate would be determined by treaty negotiations. It should be a gold-reserve-based determination, like the original Bretton Woods agreement. However, this gold-reserve provision would be subject to reasonable consideration by the treaty organization, to change the price of gold as a reserve currency denomination.

A basket of goods would not be used. Treaty agreements on regulated tariffs and trade would be applied.

**Q:** 1. What is real around the union of Republicans and Democrats, as having the effect of debilitating the Bush Administration?

2. What kind of involvement does the U.S. have around the Bolivian crisis?

3. What should we do about the Social Security system in Argentina?

**LaRouche:** 1. It is not a union; it is a collaboration for a limited purpose. This agreement, if continued, would be subject to revision in various ways, as the judgment of the relevant members of the Senate choose.

2. The behavior of the U.S. Bush-Cheney Administration in the current Bolivia crisis is most fairly characterized as irresponsible, probably insane, and vicious.

3. In the Summer of 1982, I composed and issued a report entitled “Operation Juárez,” which I crafted in my foreknowledge of the oncoming operation against the Republic of Mexico. My policies for U.S. relations with Ibero-America as a whole remain essentially what I set forth as matters of principle in that report.

**Q:** Does Mr. LaRouche’s proposal include the elimination of the International Monetary Fund?

What is his proposal for replacing a speculative economy with a productive one?

**LaRouche:** Forget the “Fund.” What is needed is essentially a reversal of the actions on monetary-system reforms taken under Nixon in 1971 and 1972. Restore the Bretton Woods agreements crafted under Roosevelt; modify them only in the sense of updating them for today.

On the principles of economy, read “Vernadsky & Dirichlet’s Principle” [*EIR*, June 3, 2005].