

LaRouche warns against bashing Europe, Japan

by L. Wolfe

U.S. Democratic presidential candidate Lyndon LaRouche sent an open letter to Democratic Party officials and organizers in June, urging them to reject a campaign of "bash Europe and Japan," and proposing instead that the party support a policy collaboration with our allies in major infrastructure and other projects to develop markets in the developing sector and Eastern Europe.

LaRouche, who is being held political prisoner by the Bush administration at the Federal Medical Facility in Rochester, Minnesota, issued the statement while Democratic Party leaders were meeting at the Middleburg, Virginia estate of Pamela Harriman to discuss strategy for the 1992 election.

All accounts of the secret sessions, attended by several announced and unannounced presidential candidates, indicate that no policy was agreed on other than to attack President Bush's "domestic agenda." On the key trade issues identified in the LaRouche letter, the Democrats were in complete accord with Bush trade war thrust; under the rubric of "free trade is fair trade," some leading Democrats are even more rabid than the Bush administration in wanting to "beat up our allies," as LaRouche called it.

LaRouche is not surprised by the idiocy of Democratic Party policy. He points out in his letter that the party had rejected his proposals during the 1980 campaign for "dumping then-Federal Reserve chairman Paul Volcker and directing credit into high-technology capital and energy exports." Instead, the Democrats followed the "pro-usury policies" of their then-chairman "Banker Charles Manatt," which have led to electoral disasters. "The fact is, I was right, and those who followed Banker Manatt and his money-men were wrong," wrote LaRouche.

"George Bush's Anglo-American administration is at war on two fronts," the letter states. "On the one hand, as has been recognized in the international press, the Bush administration has started military wars against small nations to deflect attention from *the depression that has already begun in the United States*. Against the economically strong nations of this planet, Bush has launched a simultaneous trade war, especially against unified Germany and Japan."

The CIA has defined Germany and Japan as our enemies, he says, pointing to statements by outgoing CIA director

William Webster. At the same time, the Bush administration has demanded that Japan and Germany follow the United States, and destroy their economic productivity. Meanwhile, Bush spokesmen see *slave labor in North America as their answer to prosperity based on high-technology*, stating that this is what is behind the "fast track" North American Free Trade Agreement (NAFTA) plan, based on "rapidly growing labor camps on the Mexican border where factories pay 50¢ per hour." The Bush allies-bashing approach has been taken up by some in the Democratic Party, says LaRouche, citing statements by Democratic presidential candidate Paul Tsongas, House Majority Leader Richard Gephardt, Senate Finance Committee chairman Lloyd Bentsen, and Sen. Ernest Hollings, all of whom attended the June 13-14 gathering at Pamela Harriman's Virginia estate.

"This is pure, fruitless idiocy on the part of the United States," says LaRouche. "The fact of the matter is, *since the assassination of President John Kennedy in 1963, the United States has had no sane medium- to long-range economic policy*. The United States, over the past 25 years, has gone from bad to worse in economic policy, especially by way of the Volcker high interest rate measures, deregulation, the Garn-St Germain legislation and other mistakes. Now an absolute catastrophe faces the United States and our free market guru, Britain, in particular this year and beyond. We are already in a new world depression probably far worse than that of the 1930s."

This idiocy is compounded by the collapse of the Soviet economy, led by the collapse of Soviet agriculture. "While the Soviets appear to understand that a successful economy requires modern industry, they have failed to understand it also requires an independent, entrepreneurial agriculture capable of assimilating technological revolutions, typified by the American family farmer of one or two decades ago," LaRouche wrote.

Ironically, the U.S. Department of Agriculture is responsible for collapsing American agriculture, once the most efficient food-producing system on Earth. "Cargill et al., through U.S. Department of Agriculture policies and related measures, have been eliminating the American independent farmer in a way which is remarkably analogous to what Stalin and his successors did in eliminating the independent productive farmer in the Soviet Union," LaRouche says.

The present virtual famine in the U.S.S.R., and growing, though unadmitted, food shortages in the United States, show marked similarities to the chronic food shortages created through usury in formerly colonial nations. Under the influence of the satanic Adam Smith and his "free trade" dogma, the colonial powers which seized various parts of the world destroyed the native independent agriculture; that is, the food producers who are the counterpart of the independent family farmer of the United States. Such policies are also responsible for collapsing farm production in the developing sector. "What the colonial powers did, instead of enhancing the

productivity of the independent farmers who produced the food supply of those nations, was to set up collective farming of one sort or another," LaRouche reports.

Production collapse

Production in both the U.S. and the Soviet Union is collapsing, writes LaRouche. In the United States, the candidate points to the collapse of infrastructure since the early 1960s, showing that we are suffering a net loss of much-needed infrastructure. This was brought about by the wrong credit policies, which steered investment away from infrastructure-building programs into speculation. As a result, our economy is a shambles.

"The U.S. economy would come to a screeching halt for lack of parts no longer produced by the United States if the rest of the world were to stop supplying them," the candidate writes. "Without the productive capabilities which exist in Japan and especially West Germany today, the United States economy cannot recover."

Therefore, "it is absolutely insane and treasonous to go on a Europe and Japan-bashing expedition at this time," he states. "We must, rather, instead admit that every administration, Republican or Democrat, has acted like a bunch of idiots on economic policy for the past 25 years. It's time to learn the lesson of the mistakes. And, the worst mistake of all, would be to go on a bashing campaign, against the only economies which are equipped to assist the United States in a recovery."

To get this recovery under way, LaRouche proposes a number of interrelated initiatives, including "a system of high tariffs, in the sense of the Clay-Carey Whig policy against the Southern cotton-slave interests of the early 19th century. . . . *Only by providing protection can we restore a fragile U.S. industrial structure.*"

However, it will not be enough to "protect" American industry. "Nor will any amount of investment by Japanese or Europeans into the internal U.S. economy. The United States needs a large area of exports in order to get a jump-start on economic recovery." That will be the developing sector and Eastern Europe as areas for large-scale infrastructure development projects. "That is the basis for a U.S. recovery: an export orientation toward a high-technology transformation of the developing nations in the direction of an energy-intensive, capital-intensive mode of development—precisely the policy which Pope John Paul II has called for in his new encyclical *Centesimus Annus*. And, to do that, you must have a reform of the international monetary system, which I have called for since 1974-75," LaRouche says.

"A worldwide recovery, based on the essential role of Japan and western Germany in providing the high technology necessary to a recovery in the United States, is the essence of my campaign for the Democratic presidential nomination," LaRouche concludes. The Democratic Party must make this the cornerstone of the 1992 campaigns.

EIR team finds scant support for NAFTA

by Harley Schlanger

In a mid-June tour through northeastern Mexico, *EIR* correspondents from Houston and Mexico City discovered that, in spite of intense propaganda and arm-twisting by both the Bush and Salinas administrations, there is little support for the North American Free Trade Agreement (NAFTA) in the areas which have already tasted the alleged benefits of so-called free trade.

Both the U.S. and Mexican Presidents have proclaimed the adoption of this treaty as being among the highest priority concerns facing their governments.

The intensity of the deployment by Harvard's Carlos Salinas de Gortari and Yale's George Bush to rally support for NAFTA shows a certain desperation. Conferences were held in Nuevo Laredo in Mexico and McAllen, Texas, to drum up support for the treaty.

Both conferences featured top government officials. Mexico was represented by Serra Puche, the commerce minister, Gustavo Petricioli, the ambassador to the U.S., Miguel Alemán Velasco, the ambassador-at-large, and local officials, including the governor of the border state of Tamaulipas. Julius Katz, the chief U.S. negotiator for NAFTA, led the U.S. delegation, which included Gov. Anne Richards of Texas, Congressman Kika de la Garza (D-Tex.), and a slew of undersecretaries from the State Department and Commerce Department. Also attending were the ambassadors to Mexico from Canada and South Korea. More than 375 businessmen, local politicians, and academics attended the session in McAllen.

This assault was augmented by commercials on Mexican television, produced by the government, at 15-minute intervals, trumpeting the virtues of the agreement for Mexico.

The hidden agenda of NAFTA

The theme of the speakers in McAllen was that all three nations (Canada is the third partner in NAFTA) will benefit from the treaty. According to Don Newquist, U.S. International Trade Commissioner, "The basic reason for doing a North American trade agreement is to enhance the competitiveness of the U.S., Mexico, and Canada in the global economy." While not stating that this improved "competitiveness" is based on wage gouging, using slave labor wages in Mexico to drive down wage levels in the United States and Canada, he did make two interesting admissions.