

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.

First, he confirmed that the agreement is directed against Europe and Japan, saying NAFTA would give the participants “the needed leverage” to compete with them. Secondly, he acknowledged indirectly that a fundamental purpose of NAFTA is to bail out the collapsing Wall Street banks. “Face the fact of life,” he said. “All three countries are moderately broke. And we’ve got to export to be able to service the enormous debts all three countries have.”

Another admission that startled attendees was from Mexican Ambassador-at-large Miguel Alemán, who told them that Mexico will face inflation and recession from NAFTA, as well as problems handling the population boom at the border. The lack of infrastructure—which will not improve under the terms of NAFTA, and was not addressed by Alemán—is already a serious problem, especially in border cities such as Ciudad Juárez, Chihuahua, across from El Paso, Texas. Health officials on both sides of the border have identified Juárez as the most likely transmission point for the spread of cholera into the United States.

LaRouche versus the free traders

This occurred as the *EIR* tour got under way, to announce the release in Spanish of the *EIR* Special Report exposing NAFTA, entitled “Auschwitz below the Border.”

From the wide-open responses to the presentations of the *EIR* correspondents during their tour, it is obvious that the efforts of the governments to sell NAFTA have been ineffective thus far. In press conferences and in private meetings with elected public officials, we found significant opposition to NAFTA.

Reynosa, in the heart of the productive agricultural sector of the state of Tamaulipas, is a city of almost 700,000 people, across the border from McAllen. The *EIR* press conference there was attended by two radio reporters and two newspapers. It lasted almost two hours, as reporters fired questions, asking for details about the real intentions behind the treaty, what does the United States hope to gain, do they want Mexico’s oil, is there opposition to NAFTA in the U.S.?

There was great enthusiasm for U.S. presidential pre-candidate Lyndon LaRouche’s proposal for an Ibero-American Common Market as the alternative to NAFTA. The reporter for *La Frontera* has written a full-page article, and his paper is interested in serializing *EIR*’s report, “Auschwitz below the Border.”

This has caused a scandal, as representatives from the Mexican Chamber of Commerce asked the paper not to cover the opposition to NAFTA, saying there is already great suspicion against the treaty!

There was a similar response in Matamoros, where a representative of the Mexican Labor Confederation (CTM) attended the press conference. Both he and another reporter confided that the support which the Mexican government takes for granted is very weak. “What we lack, is an alternative,” he said.

Korean economic deals ‘an internal matter’

by Lydia Cherry

A prime objective of South Korea President Noh Tae Woo’s upcoming meetings with George Bush July 2, will be to seek U.S. recognition that certain economic deals between North and South Korea—as was the case with Germany prior to reunification—are “internal trade” and not subject to outside interference. Earlier this year, the two Koreas worked out a barter deal whereby the North would obtain much needed rice in exchange for coal, but the deal has been delayed because the U.S., especially the Department of Agriculture, was unhappy with it. At the same time, it has become clear that the North is battling stark food shortages. The South Korean daily *Tong-a Ilbo* claimed May 21: “It has been revealed that the U.S. administration raised objections to the rice barter between the North and South through diplomatic channels.”

Noh Tae Woo’s “Northern Policy,” first put forth in a speech to the U.N. General Assembly in October 1988, precisely echoed U.S. statesman Lyndon LaRouche’s “Food for Peace” proposal toward the Soviet Union. In the U.N. speech, Noh had announced: “We must transform the North-South Korean relationship, so that we can reconnect every roadway, whether a major highway or a little path, linking the two sides which remain disconnected now. Then we could be enabled to go on to develop our common land, by combining our human, technological, and financial resources.” The paved roads of South Korea abruptly turn into rubble dirt roads as soon as the border is crossed.

Later, Korean leaders monitored carefully the fall of the Berlin Wall, and sent numerous delegations to Europe to study German reunification. The government, however, is aware that the North Korean economy is in much worse shape than was East Germany’s. At a strategy meeting in Seoul June 17 that was presided over by President Noh, it was concluded that the South must greatly boost economic cooperation with the North now to fill the economic gap prior to reunification. Although this is not a new idea (it was part of Noh’s initial framing of his now two-year-old “Northern Policy”), there is now much more of a chance for it to be implemented.

At the same time that the North Korean economy continues to go downhill, the two sides are talking and taking part in joint sports events. And, in recent weeks, North Korea has made two “turn-arounds.” First, it said it will seek United Nations membership separately from South Korea—a point South Korea had insisted would be preferable because it