

A community of nation-states must put together a new financial system

Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr. was interviewed by the Philippines radio station DZXL-AM, which broadcasts from Manila, on Oct. 6. The host of the program was Herman "Mentong" Laurel. He was joined in the interview by Antonio "Butch" Valdes and a studio audience. Laurel contributed an assessment of "The Philippines at 100" to EIR, which appeared on July 31, 1998. The transcript of his interview with LaRouche follows.

Laurel: Mr. Lyndon LaRouche is running for the nomination of the Democratic Party.

Valdes: Lyndon LaRouche, Jr. is a very extraordinary man. He emerged over the course of the 1970s and 1980s as one of the most controversial political figures of his time. This controversy also features such related issues as his efforts to destroy the international drug traffic, and his initiating role, in formulating what President Ronald Reagan announced as the Strategic Defense Initiative, the SDI.

He is basically rooted in not only domestic U.S., but also the global political economic issues. The recent fresh demonstration of his exceptional qualifications as a long-range economic forecaster has placed him at the center of the presently erupting global systemic crisis of the world's economy.

Mr. LaRouche's work is best known through his success in two long-range forecasts, which made him well known globally. The first of these was developed during 1959-60, forecasting that if the axiomatic policymaking assumptions of the Truman and the Eisenhower presidencies persisted, the second half of the 1960s would experience a series of international financial-monetary crises, leading toward a breakdown of the existing Bretton Woods agreements. And we all know that this occurred during that interval, with the British sterling devaluation of November 1967, through the breakdown of the Bretton Woods agreements in August 1971.

Laurel: Now, without much ado, we will call on our guest this evening, a most distinguished honor for our program, and our radio station. Mr. Lyndon LaRouche is with us on Line 3, and we'd like to welcome him on the air.

Mr. Lyndon LaRouche, good evening. It's probably good morning over there?

LaRouche: Yes, well, it's evening.

Laurel: Mr. LaRouche, we are ready, and we have Mr. Butch Valdes on our Line 2, ready to listen to your opening statements. We also have a panel with us of young people, whom we will introduce to you later. We think that the best thing to do is to give you around five minutes for an opening statement. In the meantime also, I would like to say that we are thousands of miles away from you, and from the United States of America, and we are very happy we have a leader of that country that has tremendous impact on our lives here in the Philippines, whom we can listen to tonight, and speak to later, after your opening statement.

So, Mr. LaRouche, we're all ears now, and please give us a few opening words.

LaRouche: Fine. As you probably know, I am the third of three present candidates for the Year 2000 Presidential nomination of the Democratic Party of the United States.

The situation is, that while the current Vice President of the United States, Mr. Al Gore, is nominally a frontrunner, he's actually a frontrunner *backwards*, that is, despite the fight that's going on this coming week, in his effort to secure endorsement by the labor movement, the AFL-CIO, if that were to occur, that would be what is called a "Pyrrhic victory." He might get the endorsement, but there wouldn't be any enthusiasm behind it.

Generally, it's understood in the United States and elsewhere, as in Europe, that Mr. Gore is finished, that is, as a candidate. This goes together with a collapse of another Blair-associated candidate—that is, associated with Tony Blair of Great Britain—with Schröder in Germany, who is also collapsing very rapidly. So we can say, the Third Way candidacies of Tony Blair, the Prime Minister of Great Britain, of Gerhard Schröder, the Chancellor of Germany, and of the Vice President of the United States for his Presidential nomination—this movement is on collapse, internationally.

So, that leaves Bradley and me.

Now, on the Republican side, we have the son, who I've referred to actually, descriptively, as the "Clown Prince," son of former President George Bush. The situation is, that we're now in the onset of the collapse-phase of the worst financial crisis in world history. There's no possibility that the present so-called IMF system, in its present form, will continue much longer. We don't know *exactly* when it will



Herman Laurel, a columnist and talk-show host in Manila, is shown here at the Schiller Institute Labor Day conference in 1997.

go through the certifiable collapse phase, but it will be soon, sometime soon, weeks, or maybe a few months. But it's finished.

The primary question therefore, facing the world today, is how do we put together a new alternative, a new financial and monetary system, to ensure that the collapse of the present financial and monetary system, the present world system, does not usher in a dark age, a dark age effect, like those we've seen in Indonesia, for example, under IMF pressures, the collapse of that economy.

Presently, there's no candidate, except myself, running for the Presidency, or who looks as if he might be running for President of the United States, who is qualified to deal with the responsibilities of the United States in the situation, except myself. I'm the only qualified candidate.

That's a difficult situation for my country, and for some other countries, but that's the way it is. My objective, is, first of all, to have President Clinton, the present President of the United States, take certain initiatives, together with other countries—and I have proposed China, India, Russia, among others, as other countries to be involved—in setting up a new international monetary system, somewhat like the Bretton Woods system, but more consistent with what had been Roosevelt's intentions before his death in 1945. That is, to include leading countries of Asia, and other countries, in a new monetary system, as controlling forces. That is what I would pro-

pose that Clinton do; bring in possibly Germany, other countries, countries like Malaysia, for example—Dr. Mahathir is a very commendable figure for this purpose—and it would be necessary to have people from Japan and China and other countries involved.

Under those conditions, we could have an emergency policy to prevent the crisis, and then the question would be, come within a year, to get under way with a general rebuilding program, and the rebuilding program essentially that I would follow, with some changes—time has passed, as we say—the program I would follow, would be to do what Roosevelt had intended at the end of the war, to set up a global system, free of the relics of imperialism and colonialism, which would provide protection for the general economic development of the modern nation-state, and to create a community of nation-states of that type, as the postwar system. I would say that is the objective. That's my general objective now.

Laurel: Mr. LaRouche, the past week we have been reading in the briefings that you have obtained what you call in the States, the right to matching funds from the government. I think our audience here does not completely understand this political system. Can you help us a little, with some explanation?

LaRouche: Yes, some years ago, in the 1970s, there was a so-called electoral reform in the United States, under which candidates who would meet certain standards of support, would be certified as serious candidates, eligible for a certain amount of matching funds from the government for the funds they raised for the campaign. This is significant in the sense that it represents a distinction of what would be called "major candidates."

On the Democratic Party side, what this means—we waited on our filing until we had an overwhelming amount of qualification for that designation—this means that I'm one of the three listed, official, major candidates of the Democratic Party for the Year 2000. That's what the significance is; there are certain other things that go along with that, presumably, but what it really means, is that there are three major candidates, currently, for the U.S. Democratic Party Presidential nomination for the Year 2000, and *I am one of the three*.

Valdes: Good evening Lyn, and welcome to the Philippines.

LaRouche: Yes. It's always good to be there. I'd like to be there physically, actually. . . .

Valdes: Yes, one day we hope we can have you here, Lyn. My question, Lyn, is this: Recently, the Foreign Minister of China delivered a very stirring speech addressing the United Nations. His speech was laden with a lot of ideas which are very similar to yours, Mr. LaRouche. I was wondering if you had, one way or another, influenced the writing of this speech.

LaRouche: I don't think directly. You would find in the official China press—that is, the government and Party press,

as well as other press in China—you would find frequent references to me, personally, in connections of this type, that is, in policy matters of this type. And certainly what China has proposed in that address is not inconsistent with what I've been proposing. I would say that there is, to a certain degree at least, a meeting of minds between my view on this matter, and the view of China.

I would qualify this, and say that China is a regional power, and a very important nation, but does not undertake, and probably would not undertake, at least at the present time, to play a leading, determining position in shaping world policy. They would rather prefer, at this point, to find agreement with others who would take leading responsibility. I think it has been the hope of China, particularly under Deng Xiaoping, and under the leadership of the present President and Prime Minister—it's been the hope that the United States would take the role in cooperating with China, to set up that kind of leadership among nations, or leadership group, with consultation with other nations, with the United States taking the initiative.

Unfortunately, the attacks on Clinton at the close of last year, continuing with the impeachment effort, and subsequent very violent attacks on China, as well as Russia, and other countries, from the right wing in the United States, the Bush people, and others, has weakened the credibility of the President of the United States—the bombing of the Chinese Embassy in Belgrade, which was deliberate, done by an agency within NATO, quite intentionally. The President of the United States is not yet willing to *say* what that is, but I believe he knows it. This has complicated matters.

So, we have a complicated situation as far as U.S. cooperation in China, at present, but I think the *intent* by President Jiang Zemin is in accord with what my intent would be, were I President of the United States.

Laurel: We have a question now from a government employee with our Department of Labor.

Q: Good evening, sir. I would just like to ask this question: First, the U.S. government has always had an invisible hand in running the political and economic affairs of the Philippines, which of course, greatly influences the government's policies and programs, and this affects the Filipino people. If you were to have it your way, what would be your foreign policy towards the Philippines, and other Third World nations which have also incurred huge amounts of debt from the IMF and World Bank?

LaRouche: First of all, my policy on the role of the Philippines, and policy toward the Philippines, is, in a sense, traditional, for some people in the United States, that is, prior to certain changes that occurred later. My policy is that the Philippines is an area of special cultural significance in Southeast Asia as a whole. The role of the Philippines, in cooperation, in partnership, with countries of Asia—which I

would not call emerging markets, but nations which are emerging to, shall we say, full sovereignty, in economic and other development—is that first of all, the United States should have a policy of an American System policy for the Philippines, that is, what we should encourage in the Philippines is to protect, and assist in protecting, the Philippines' right to adopt what I call, and what others have called, the American System, as a protectionist system. That we would also hope, because of the long-standing, close relationship, for certain advantages in relations with the Philippines and the United States.

The Philippines could play a very significant role in assisting cooperation with the United States and other countries throughout Southeast Asia. And that would be my general policy. I think it's a policy that most Philippine patriots would agree with, and I hope that would be the case.

Laurel: I think that is very enlightening and very reassuring to many of us here in this radio booth. We have another question from a volunteer worker in a children's fund and justice movement. Your question?

Q: Mr. LaRouche, early last year, here also at DZXL, where you were first hosted—that was before our Presidential elections—you said that a leader should acknowledge its country's greatest fear or problem, and help its citizens to face it, and find solutions to solve it. And now your own Presidential elections are coming. If you make it to this election, what will be the greatest fear or problem that you are going to address, and help your country and the world in finding solutions for it? . . .

LaRouche: What I'm concerned about, I will be dealing with in a TV report, which I will be putting out soon—it's actually going into preparation this week, it'll probably be out within several weeks.

In the history of European civilization, the policy has been, partly under the influence of Classical Greek culture, but most notably under the influence of Christianity, to understand that people are not cattle, and people can not be treated as cattle. That what we must have is a system under which government is accountable for what we call in English, the general welfare. That is, the general welfare of human beings, as human beings, as made each in the image of the Creator, hmm? And not only for existing generations, but for the coming generations.

And in our view, which was the Christian view, which became the European *republican* view, the authority of the United States lies *solely* in its responsibility to protect and enhance the general welfare of *all of the existing population and its posterity*, with the view that every man and woman is made equally in the image of the Creator of the universe.

Now, there's been a long struggle in Europe to bring that into being. In the 15th century, finally we began to get some

success in that direction. The first durable success, which has been challenged and corrupted many times, of course, is the United States, which was created by Europeans, with the idea of creating that kind of nation-state.

Now, my policy, and the policy of all patriots of the United States, such as John Quincy Adams, who was once Secretary of State and President, for example, has been, we have no interest, as the United States, except our interest in promoting the emergence of a community of principle among perfectly sovereign nation-state republics.

Now, those of us who have had affection for the cause of Philippines independence, have always taken the view, that because of our closeness to the Philippines, we should especially desire that the Philippines should be a perfectly sovereign republic, and meeting your standard of a state which meets the challenge of the general welfare of existing and future generations. And we would hope that from our standpoint, this relationship to the Philippines, by the United States, would help to win Asians in Southeast Asia, and elsewhere, to a better understanding of what the United States has, as a part of European civilization, to contribute to the well-being of the nations which are now emerging as dominant, or future dominant nations of the world, in Asia.

Laurel: Well, I think that responds to the question quite directly. By the way, Mr. LaRouche, we have your books spread out in front of us, and one of the things that Mr. N. here, wants to address, is the book on *Christian Economy*. Mr. N. is a very, shall I say, earnest church worker and lay worker. So, your question please?

Q: Good evening, Mr. LaRouche. I'm just wondering if you have any word or Bible verse, a verse from the Bible that maybe inspired you to propagate [*The Science of*] *Christian Economy*, if you can share with us some word that will also inspire us, and guide us in propagating the Christian economy here in our country?

LaRouche: Remember, the Christian Apostles, especially the best educated ones, such as the Apostle John and the Apostle Paul, after him—actually, John long outlived Paul—was this notion which was expressed in Greek—and they were well-educated people, who used their knowledge of Classical Greek, as Augustinus did later, in defining the framework in which the ideas of Christianity were most efficiently expressed. The term which is used there, in the Greek, as by Plato, and then, also, again by John and Paul, repeatedly, is the term *agapē*, which is often translated into Latin as *caritas*. This message of *agapē* is most clearly stated, set forth, repeatedly, throughout the Gospel of John, and in the Epistles of Paul, most famously, of course in I Corinthians: 13.

This, essentially, is, to me, *the essence of the intersection of Christianity, with constitutional conceptions of republican government.*

Laurel: Any followthrough?

Q: Yes, thank you Mr. LaRouche. Have you ever tried to read the book of the Acts of the Apostles?

LaRouche: Oh, yes, yes.

Q: Wherein, the Apostles, after receiving the Holy Spirit, they sold their properties, their land, etc., and they shared it, and then they gave it to the Apostles and distributed it, and being Christian, is it still possible for us, as Christians, to do the same? In the Year 2000, do you think we can translate those actions made by the first Christian community?

LaRouche: I think we can do something which echoes that. We have two things going on: We have, first of all, His Holiness, the present Pope, a sponsorship run through, particularly, *Justitia et Pax*—which is now led by an Asian, which is not unimportant—for a Jubilee year. The idea of the Jubilee is widespread and important.

Secondly, we have come to a time, when the existing world financial system, and monetary system with it, are doomed. *Nothing can save these systems.* The only way we can survive under that condition, is for the governments, sovereign governments, to use their power as government, to defend those values which have to be defended, economic values, and to use the power of creating credit, to bring about a rebirth of economies. In that sense, the question of justice, and the distribution of justice, in the interests of the present and future populations, future generations, is an idea which can be applied to the present circumstances. Perhaps not in the literal sense of the distribution among the Apostles, but in the sense of, we realize that the power over the universe, including the power of wealth, hmm?, is something which is entrusted to man, by man's nature—that is, as each man and woman made in the image of God. It is the responsibility of governments to ensure that that power of man, the physical power of man in the universe, the power to produce food, to grow food, to develop land areas, and all these things, that that power be used *justly* in consistency with the principle of *agapē*.

And so, in that sense, yes, maybe not in a simple, literal interpretation from the Acts of the Apostles, but in that sense, yes. We could and should fight and move in that direction.

Laurel: Before we go back to Mr. Valdes, I would like to ask Mr. M. if he has a question.

Q: Good evening sir. My question is, each candidate has his own platform of government. In your case, what is your platform of government that makes it different from the others?

LaRouche: My platform?

Laurel: Yes, your platform: its main difference from the other candidates.

LaRouche: Well, first of all, I think I've just, in a sense,

expressed it. Fundamentally, my concern is this: What is the meaning of man being made in the image of God? What is the difference between man and the animal? And what is the nature of this quality, which man expresses, which gives him the power to exert dominion in the universe, increasing dominion? Now, this power is the power of the discovery of ideas. Not discovery of just opinions, but the discovery of Truth, the discovery of uncovering new principles, which actually exist in the universe, as we do when we make a fundamental discovery of universal physical principle. Man's progress has always been based on this power of cognition, which is unique to the individual human mind, through which we are able to make discoveries, which increase man's power in the universe, and through which we are able to cause others to come to make the same discoveries. And by sharing these discoveries and their applications, we're able to solve problems that face man, to meet challenges that animals couldn't meet.

So, to my view, the essence of government is inseparable from the concept of education, an education which develops, causes the child to find happiness in these qualities within the individual mind, which assists the child to develop those qualities, which organizes society on the basis of *sharing* those educated qualities of the individual mind for the benefit of society as a whole, including future generations. For me,

that's the issue.

What we have today—take the case of strategic policy. Nations are trying to find excuses for making wars against each other. You have in Europe, people saying, "Who is the enemy?" "Which enemy can we find in the world?" "Who's our hidden enemy, that we must go out and prepare to destroy?" Well, that's not our way. Our way is not to kill people, is not to destroy nations, is not to make enemies. Our way is to uplift people, to solve the problems, to eliminate the enmities, to find forgiveness among those who've had old quarrels. How do we do that? We do that by showing that we can work together, different nations, different people, to create a system of *justice*, which is beneficial to all, and by winning people to *prefer*, not winning conflict, but overcoming conflict, by finding mutual benefits in just solutions to problems. This is the issue.

If you look at the candidates in the United States, their platforms, *they all have the element of hatred in them!* "Who are we going to kill?" "Who are we going to destroy?" "Who are we going to cheat?" This kind of thing.

That's not right. The question is, how can we solve these problems of conflict by finding solutions which bring nations and peoples together?

Laurel: So, it's a harmony of civilizations, instead of a clash of civilizations.

We're going to Mr. Valdes now. . . .

Valdes: Yes, Lyn, if the American people are awakened early enough, I don't have any doubts that they will vote you as the next President of the United States. If, on the other hand, you had mentioned that nothing can stop the collapse of the financial system right now, the global financial system, and the basic economic order, is there a way to stop World War III?

LaRouche: I think there *should be* a way. That's what I've been working on, to try to prevent right now. I'm doing everything I can, and I can say this much: I don't know how successful I shall be. I can say that what we're doing, is, to a certain degree, successful. We're influencing more and more people, in more and more high places, and other places in various parts of the world. Ears are open in governments, in the United States government, and elsewhere—not as many as there should be, but, open.

Under the conditions of a crash, a financial crash, a *shock*, like the Pearl Harbor shock that hit the United States on Dec. 7, 1941—that kind of a shock coming in the form of a financial crash, I believe, will give us the last *practicable* opportunity to recognize the need to reform the international financial system. In that context, I believe, with the defeat of the financial interests which are the problem, that, under those circumstances, *we can actually succeed*. And we must certainly do everything possible to make sure we do succeed. . . .

DO YOU KNOW

- that the American Revolution was fought *against* British "free trade" economics?
- that Washington and Franklin championed Big Government?
- that the Founding Fathers promoted partnership between private industry and central government?



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