



Willpower Needed for Recovery Program

Radio Formula's Carlos Daniluk taped a half-hour interview with Lyndon LaRouche on May 28, which was broadcast on the León, Guanajuato radio station, which is heard throughout central Mexico. Mexican President Vicente Fox is the former Governor of Guanajuato.

Q: Greetings, Mr. LaRouche. How are you?

LaRouche: Well, I'm feeling fairly frisky. The world is very interesting. It's also dangerous, but it's interesting.

Q: What is the real situation that has caused this economic slowdown in the United States, and what is the direction it is headed in?

LaRouche: Well, it was inevitable. For 35 years, the United States has been on the wrong track. This began with the assassination of President Kennedy, and then as the Johnson Administration got into trouble, this led to the Nixon campaign of 1966-68 for President. We have generally—with a few exceptions—been going downhill ever since.

The thing that has to be understood about this, is that, in the United States, you have essentially two opposite political tendencies.

On the one side, you have what President Franklin Roosevelt called the American Tories. These are people who are very close to the British monarchy, and they have been that ever since the American Revolution, always close to the British Crown. One group is a strictly financial group, centered on Wall Street in New York City. The other, is known in Central America as the "filibusterers," or the Confederacy—the same thing. These were the supporters of the Emperor Maximilian in Mexico, for example. So, what's happened is that, since Nixon's campaign, we have shifted away from the economic policy, the traditional American policy, which Franklin Roosevelt represented, or Lincoln before him, to this American Tory tendency. And, since 1971, especially under Nixon, first, and then Carter, we have been destroying the U.S. economy, step by step, every four or five years.

So, this went through a number of generations. You had first, in 1971, the breakdown of the Bretton Woods system. We had President Carter, who was probably the worst thing we had in that whole period, which led to the crisis of 1982 in Argentina and in Mexico. Then, in 1989-90, the Anglo-

Americans decided they were going to have a world empire. And so therefore, the world as a whole has been crushed by the financial looting of this system, and we've had the political effects of that as a by-product.

Q: Is your New Bretton Woods proposal then—because there's been a lot of talk about the United States as the importer of last resort—for the United States to recover the productive capacity that made it hegemonic economically in the world?

LaRouche: The essential thing is that there's no possible way the present U.S. system, the present world system, can continue to function. It's doomed. Nothing can save it. You can save the nations, but you can not save the financial system. All the leading financial institutions of the United States are presently hopelessly bankrupt. You have the same situation in Japan, you have the same situation in continental Europe.

What you can do, is, you can put the whole world through bankruptcy reorganization. That's the only solution, which means cancelling most of the debt, especially the financial derivatives and similar debt. Most of the foreign debt of the Ibero-American nations will have to be cancelled. And then, what this New Bretton Woods means, is, going back to 1945, to the legacy of Franklin Roosevelt, to create the kind of system we had between 1945 and 1958, and continuing into the middle of the 1960s.

In other words, that means fixed exchange rates, that means capital controls, it means exchange controls, it means financial controls within and among governments. It means a protectionist policy on trade and tariffs. The best example is the Monnet Plan, the relationship between the United States and Europe during the immediate, first 15 years after World War II. There are a few differences today, but in principle, that plan, that method will work. The difference is that we have to apply it on a global scale, not just a transatlantic scale. The issue is, finding the political will to do that.

Q: My question, Mr. LaRouche, is: If we follow your proposal for wiping out most of the world's debt, do we then establish a credit system, to make credit available at a low, fixed-interest rate? Is this possible within the system you propose?

LaRouche: It's perfectly possible. The only question is, whether we have the willpower to do it or not. If we don't do it, the whole system is finished. The whole world system will collapse and disintegrate. It's a question of willpower. It's a question that people have to realize that they're in a situation for which there's nothing like it in all of modern European history.

The situation is typified by the fact that the Bush Administration is not presently capable of doing anything that will succeed; everything it will do will be a terrible failure. So, with all this, a change in U.S. policy will come with a collapse of the Bush Administration in its present form. The shift of power in the Senate this past week is only an example of many things like that which are going to happen very rapidly.

Q: Mr. LaRouche, this is Zaid Jaloma, the *EIR* representative in Guanajuato. I would like to ask you: What are your proposals for the immediate steps that must be taken by the United States to get out of the current crisis?

LaRouche: First of all, you've got to change the United States a bit, and I'm not talking about a long-term change. I'm talking about a very rapid change which is now coming on. If you listen to the U.S. reports, you don't get an accurate picture of what's going on in the United States. For example, you hear the official line that everything is going to recover. It's not true. It's all lies. We're now in a hyperinflationary phase of the financial bailout efforts of the present Bush Administration, but the variable factor here is that the financial effects, the economic effects, are terrible, they're horrible.

But change in the administration will not come in reaction to a financial situation as such. It will actually come as it did last week, with the case of the change in power in the U.S. Senate. It will come as political explosions reacting against the incompetent atrocities of the current Bush Administration.

I should explain one thing. The forces that are pushing the Bush Administration are not just U.S. internal forces. They include people from Europe and elsewhere who think the Bush Administration is crazy, and must be brought under control. If you had read the reports I've seen this past week, for example, you would see—from various editorials in certain newspapers, public statements by Republicans and others, statements by key Europeans, actions by key Europeans—that there is tremendous pressure to force the Bush Administration to change its behavior.

A good example is the totally incompetent Bush energy policy, which is going to produce a political explosion against the Bush Administration.

Q: In regard to what you just said, we are hearing things about what Alan Greenspan and Mr. Bush are doing. Is what they are doing favorable to the United States, or is it actually helping some other interests?

LaRouche: It's absolutely insane! There's absolutely no intelligent motivation behind it. There's an unintelligent motivation; I understand it very well. What you have in the United States, is a group of people who are very powerful in financial markets. They have vast so-called financial holdings, which they claim they own. Up until recently, they made super-financial profits, at the expense of the world economy. And these are people who say they would rather see the world go to hell, than they should give up their system.

And therefore, this group of fanatics—Dick Cheney, the Vice President of the United States, is one of these people—if you look at the list of major contributors to George Bush's Presidential campaign, they're the same people. This is a case of "whom the gods would destroy, they first drive mad." That is, they can not change their ways; they refuse to change their ways; they would rather be destroyed than change their ways.

Q: A question regarding the recent announcement by Russia, that it is going to build its portion of the Eurasian Land-Bridge. This could change the entire world dynamic. My question is, what are the implications of this? Will this change the whole financial system?

LaRouche: It would not, as such. It would not change the financial system, but it would be a motive for changing the financial system. You see, the only way we're going to get an economic recovery is by having, as I've said, a New Bretton Woods type of reform. But that will not spontaneously solve the problem. What we need is large-scale projects, especially infrastructure projects, which will drive a real genuine global economic recovery.

For example, take the case of Mexico. Now, Mexico has a great dependency upon exports to the United States. This is very poorly paid, in terms of Mexican labor. What happens if there's a sudden cut of 50% in exports to the United States from Mexico? It's very likely right now. So, what do we do? There's much infrastructure building which is needed in Mexico, so therefore, this is the opportunity, if you have cheap credit available, long term, to shift Mexico's labor to more emphasis on its internal infrastructure development, which will lead later to great growth of the internal economy of Mexico in the private sector.

Look at the Russian development in exactly the same context. Western Europe needs a market for its products. Russia can play a key role in taking the markets of South Asia and East Asia, opening them up, and making it possible for Eurasia as a whole to cooperate in large-scale infrastructure and other projects.

Q: Thank you very much, Mr. LaRouche, for this opportunity. I hope we can do a program later on, which would be a fuller program where you can explain in more detail exactly how this New Bretton Woods system would work.

LaRouche: It would be my pleasure. Thank you very much.