

LAROUCHE TO IBERO-AMERICAN TRADE UNION LEADERS

## Globalization Equals Fascism: Organize a New Bretton Woods!

Led by U.S. Democratic Party leader Lyndon LaRouche and Mexican trade union leader Agustín Rodríguez, Secretary General of the Union of National Autonomous University of Mexico Workers (STUNAM), trade union leaders from Chile, Argentina, and Peru participated June 14 in an Internet video-conference, on the subject “Globalization Equals Fascism. We Need a New Bretton Woods, Now.”

Some 35 individual Spanish sites were logged on as the dialogue took place, the highest number yet reached for a LaRouche webcast.

This was no academic discussion. The STUNAM is in the midst of organizing a labor rebellion against Mexico’s Calderón government, demanding that the government revoke the March 30 law privatizing public workers’ pensions and health care, as unconstitutional and a step towards plans to eliminate all workers’ rights, in the name of “structural reforms” and “globalization.” Attempting to pick off weaker-kneed labor leaders by talk of possible concessions, the government delivered a formal “offer” to labor leaders, right before this “Second LaRouche-Rodríguez International Dialogue” was scheduled to begin. And, while 60 people, including various other trade union leaders and more than two dozen youth, were at that dialogue at the STUNAM headquarters, five other meetings mapping out local details of the fight were taking place at the same time in other parts of the building.

LaRouche and Rodríguez opened the dialogue, and fielded questions (see transcript). The other speakers then addressed the essential nature of the battle to re-establish state-run social security systems which can defend the public welfare. Most noted how important it is to participate in a continental discussion of this type, which gives them hope that misery can be overcome.

From Santiago, Chile, Yasmir Fariña, Vice President of the National Federation of Workers of the University of Chile (FENAFUCH), spoke with passion of the destruction which

the so-called “Chile model,” imposed under the Pinochet dictatorship but not yet overturned, has wreaked upon her country. From Lima, Peru, Carlos Gallardo, dean of the Association of Professors of Peru, reported that the teachers and professors in his country are on strike now, because, while the government claims it has no money for education, it is paying off the foreign debt even before it comes due.

Hugo Moyano, Secretary General of the Argentine Labor Federation (CGT), spoke by telephone from the city of Mar del Plata, where he was attending a meeting. Moyano’s participation is notable, given that he holds the same post in Argentina as does AFL-CIO president John Sweeney in the United States. He delivered a message of optimism, that Argentine workers had fought without success for years against the privatization of social security, but under the Néstor Kirchner government, that privatization is finally being reversed. And, he emphatically agreed with Mr. LaRouche, that Chilean dictator Augusto Pinochet had been an agent of Margaret Thatcher!

Moyano’s message of optimism was supported by Salvador Fernandez, Adjunct Secretary General of the Argentine social security workers union, APOPS.

The motivation to fight that is driving all those participating in the discussion was brought home in the answer to the last question, sent in from Germany. The question was whether it was not too harsh to compare globalization with fascism, which conjures up images of the Third Reich. Erik de León of the LaRouche Youth Movement in Mexico answered that they are asked the same question often on the streets in Mexico, by people who make the mistake of equating fascism with a person, Hitler, rather than facing the fact that it is a system, which has historical roots, and which kills people, by taking away even their means to eat.

Rodríguez added that the system of globalization “exterminates the weakest,” and therefore it is, indeed, similar to



*Lyndon H. LaRouche, Jr. addresses the webcast videoconference of Ibero-American activists. "We are in one of the most exciting and dangerous periods of modern history," he told them. "The present world monetary-financial system will inevitably disappear, soon. The question is, what will replace it?"*

EIRNS

fascism. In closing the dialogue, he said, we await our Third Dialogue with Mr. LaRouche.

The moderator was Ronald Moncayo of *EIR* in Mexico. The following is a slightly abridged transcript of the first part of the conference. The English translation of Spanish-speakers is transcribed directly from the simultaneous translation. The dialogue is archived at [www.larouche.com](http://www.larouche.com), in English and Spanish.

\* \* \*

**Moncayo:** Good afternoon, I would like to welcome our auditoriums of people who are listening to this webcast around the entire planet. We're meeting again today to conduct a second dialogue between the American politician and economist Lyndon LaRouche and one of the most important labor leaders of Mexico, Engineer Agustín Rodríguez, who is the General Secretary of the Trade Union of Workers of the National Autonomous University of Mexico (STUNAM). From Mexico City, from the STUNAM auditorium, which has been called "The House of the People," we would like to welcome everybody from different institutions and audiences who are listening to this program.

Allow me to first announce how the program is going to proceed today. First of all, we will have a presentation by Mr. LaRouche. After that, we are going to have a presentation by Agustín Rodríguez—who is, I have been assured, about to arrive here in the auditorium in just another couple of minutes. And after that we will have a presentation from our special invited guest this afternoon, Yasmir Fariña of Chile. There are other groups who are watching the webcast, and will be talking to us, in particular from the auditorium of the CGT, the Argentine General Confederation of Workers, as well as other

Argentine trade union leaders, and very probably others who are listening in Lima, Peru, and also in other parts of the continent. We will announce this as we proceed in the course of this event.

In Mexico as well, there are other groups who are watching, where there are gatherings of different university and trade union leaders, at various universities, and in other meeting halls of the STUNAM itself, who are going to participate in this dialogue, which we have called, "Globalization Equals Fascism"; and we are calling also for a new international economic order along the lines that Lyndon LaRouche has proposed.

We are very happy that Mr. LaRouche is with us. He has just returned from an extremely successful trip, successful for all of humanity, for the establishment of a new international political geometry: He is returning from a trip to Russia, where he was invited by the Academy of Sciences, and also from Italy, where he spoke before a special committee of the Italian Senate, where he discussed the urgency of creating this new world economic order, in the face of the completely insane assault coming from the leadership in the United States, especially the entire crowd grouped around Dick Cheney, George Bush, and the economic hit men that work for these people in different countries around the world.

Among those who will participate in the second part of this dialogue, we will have the representative for Mr. LaRouche for Ibero-America, the economist Dennis Small. And here in the auditorium in Mexico City, we have a number of trade union representatives from the STUNAM, and, of course, members of the LaRouche Youth Movement here in Mexico.

So, Mr. LaRouche, greetings from Mexico City, and we're listening to you with great attention. Please proceed.

---

## Lyndon LaRouche

---

Thank you, very much. As was just said, I have just recently returned from Europe, from what turned out to be an important discussion in Moscow, on the occasion of the birthday of a leading economist—his 80th birthday—and this involved also my presentation of interviews on television and elsewhere in other locations there in Moscow, which were of some significance.<sup>1</sup> That was followed by my actually three-day visit in Italy, where I addressed a special Defense Committee of the Senate on some of these issues, and also had a number of discussions of similar relevance.<sup>2</sup>

### ‘The Only Real Chance We Have’

The significance is this: We are in one of the most exciting and dangerous periods of modern history. The present world monetary-financial system will inevitably disappear, soon. The question is, what will replace it? That’s the issue. The international monetary system in its present form is hopelessly bankrupt. There’s no way it could be simply reformed: It must be, in a sense, replaced. So, what has to be done, essentially, is we have to create a new monetary system, and what I’ve proposed is this: that if the United States—and this is not impossible—if the United States should extend a proposal to Russia, to China, and to India, to co-sponsor the formation of a new international monetary-financial order, that could be done.

The problem is that most nations, such as those of Western and Central Europe, and other parts of the world, are not able to independently act in this way, to initiate. However, if you get the United States and Russia, which are two of the largest nations of the developed world, formerly developed world, and you combine that with China and India, which are the two Asian nations which represent the largest ration of the world’s population, then you have a combination which can provide a protective cover for joint action, together with the nations of South America, for example, and Europe and elsewhere. That’s the only real chance we have.

Now, it’s not impossible, that the United States could be induced to do that, even under present conditions. At present, we have, of course, Dick Cheney, who is highly vulnerable. And you had a recent development, since my return from Europe, which is the so-called BAE scandal, which involves someone known to some of you, Pinochet, who’s now gone, but his relics are there. Pinochet was a part of this scandal, and he, of course, was a fascist. He was sponsored by certain people in the United States, as well as from London, and he became in his last years of life, virtually a British agent, openly. But also, George Shultz in California, who was one of the sponsors in putting the Pinochet dictatorship into power, to-

gether with Felix Rohatyn, a banker of fascist proclivities, who was the key banker in this operation. And then, of course, Henry Kissinger functioned in support of that, in terms of his role as Secretary of State. So, this is the character.

Now, what’s happening is this: BAE represents essentially a British imperial institution, which has grabbed more and more power in various parts of the world, and has attempted to gain more and more control over the United States. What has happened now, is that Prince Bandar of Saudi Arabia, who has been a longstanding asset of these circles, has been exposed as part of this operation. We have now, an incalculable crisis worldwide, in progress. This is not a financial crisis, this is not a financial scandal as such. This is not a scandal in any ordinary sense: This is a crisis to see who is going to run the world. Is it going to be a group of nations? Or is it going to be the emerging new British Empire, or the reemergent British Empire, which really never went away? Which takes over from the United States, and establishes its world rule through globalization. And, for example, with BAE, which is an instrument for taking control of the military capabilities of the world, under a British imperial organization, a quasi-private organization, but an imperial organization.

Now, we’ve had recently in South America, some very interesting and positive developments. We’ve had, partly on the initiative of what has happened from Argentina, which was crucial in this, we’ve had a bringing together of the nations of South America, in what is not a consolidated but a very promising option. And it is part of the solution.

Therefore, what we have to do is this: The present world international monetary-financial system is bankrupt. There is no way it could be reformed on its own terms and survive. Any attempt to maintain this system, would mean a complete disintegration into a new dark age, comparable to what Europe experienced during the 14th Century, with the collapse of some of the Lombard banks in Italy at that time. That’s what happened.

Therefore, the solution is to establish a new international monetary-financial system. That can be done on the basis of the U.S. Constitution’s special provisions. Remember, the U.S. system is not a monetarist system. The U.S. system, constitutionally, is based on a credit system, based on the constitutional authority of the United States government over the utterance and control of its own money. In other parts of the world, countries’ financial systems have been controlled largely under the Anglo-Dutch Liberal system, in which this system, through its network of private banks, so-called central banks, actually dictates and controls governments.

So, you had an imperial world monetary-financial system, which has been traditionally centered on the British Empire essentially, ever since February 1763. Against that, the only system which is surviving of any great significance today, as the alternative, is the provisions of the U.S. Constitution, which establishes the U.S. dollar as a credit mechanism of the U.S. government. That is, under our system, when it’s operating—

---

1. See *EIR*, June 1, 2007.

2. See *EIR*, June 15, 2007.



*Henry Kissinger with the late Chilean dictator Gen. Augusto Pinochet. LaRouche describes how the two are linked to the BAE Systems super-scandal now breaking into the news, which demonstrates the British imperial grab for world power.*

and it has not always operated that way, obviously—under our system, we generate credit through a vote in the Congress, especially the House of Representatives. The President of the United States then acts upon that authority of this Federal law, to utter currency as credit against the United States itself.

Now, the chief function of this credit, is not just to print money. The function of this credit, is to supply capital funds for long-term capital investments, especially in the public sector, but spilling over into the private sector; in the public sector, largely large-scale infrastructure projects, for the states as well as the Federal government. This credit generally extends for a life period of 25 to 50 years, in terms of modern economy.

Therefore, we have a present world monetary-financial system which does not function. *However:* If the United States affirms its Constitution, and enters into agreement with three other sponsoring major countries, and other countries, then, we can create a new international monetary-financial system immediately, putting the entire *existing* system into bankruptcy reorganization, to maintain the continuity of essential functions, and to start a program of actual net economic growth, and development. The hard core of this over the long term would be long-term investment in basic economic infrastructure and development of the economies of various parts of the world. A cooperative set of treaty agreements, of 25 to 50 years' duration, to create capital formation, to bring the world up in the way that Roosevelt had intended had he lived at the end of the last war.

### **A Contest Between Two Systems**

So that's what our option is. If we do that, we can get out of the present mess. If we do *not* make such a reform, there is no hope for civilization: Chaos would be inevitable. There's no part of the world that could withstand the chain-reaction

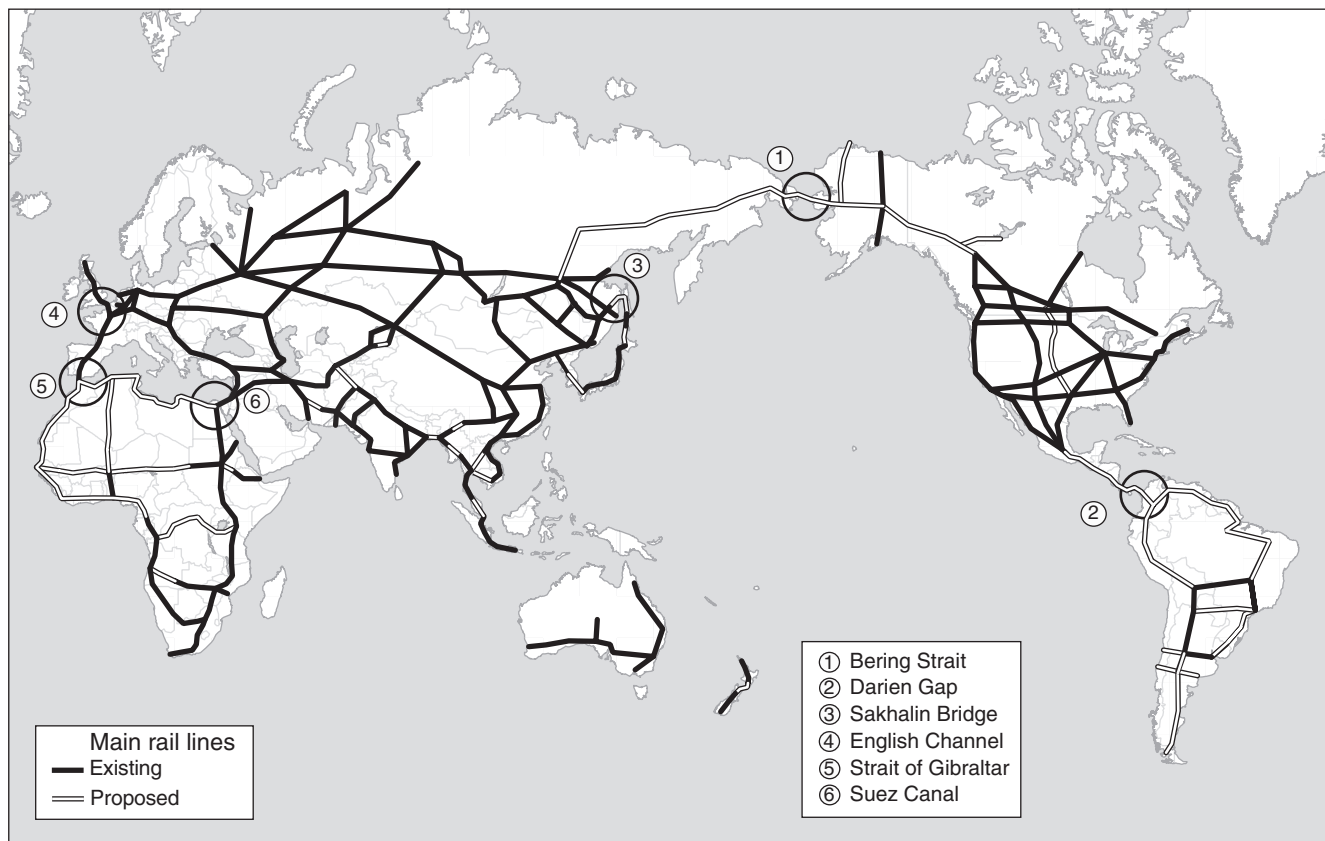
effects of a collapse of the U.S. economy, now. The collapse of the U.S. dollar would mean a collapse of all dollars, and claims *against* the dollar, in every part of the world. It would bankrupt China, it would bankrupt India, it would bankrupt Europe. So even at the present time, there's no way that the United States could collapse, and the rest of the world escape. Not possible. Therefore, the United States must be reformed, in the way consistent with its own Constitution, by offering cooperation with other countries, especially leading countries, to establish a new world system, a new version of the old Bretton Woods system, which would provide for recovery programs of 25- to 50-years of long-term investment throughout the world as a whole.

For example, you have the case in South America, where we have this Bank of the South, which has now emerged: a very positive development. Such a bank, if it were operating under the protection and assistance of such an international reform, would be capable of generating its own version of long-term credit internally, within South America, for obviously necessary projects. We have a fragile situation in South America, some very good agreements, but a lot of problems. And therefore we must resolve those problems by finding a common positive solution which brings people together about the options for good, that is, for benefits, as opposed to simply fighting each other, quarreling over differences. *And this is possible.* This is the situation we face now.

On the U.S. situation, the BAE crisis, the scandal involving the British arms industry, or the arms monopoly, this is not—as I said before—this is not simply a monetary crisis or a scandal. This is a contest between two systems: the human race, and the British Empire. What is involved here is an institution of the British monarchy, BAE, which is being used to take over the military affairs of the world, as a monopoly of military power. This is accompanied at the time, that we have coming out of the United States and Britain, a policy which is associated with the name of Dick Cheney, from the time he was formerly the Secretary of Defense and now as Vice President—the virtually acting President of the United States, today—this policy, which is supported by the familiar George Shultz, who is remembered for his backing of Pinochet, is called a “Revolution in Military Affairs.” The objective is to establish a world empire of military power. The empire would be based on eliminating the regular ground military forces, that is, *national* military forces, and replacing these with private armies, which would replace these forces. But at the same time, to control the planet through putting weapons in space which can drop missiles, from space, on any part of the world that the ruling authorities do not approve of. And using naval power in a diminishing role for the same effect.

We're looking at the threat of a world empire, a new British Empire, in fact, and what has happened with this crisis about BAE, is certain forces in Europe, including inside the United Kingdom, and in the United States, are now in a state of revolt against this threat of world empire. It is expressed

## The World Land-Bridge



Source: *EIR*.

partly by the resistance from leading military figures in the United States, and elsewhere, against what is going on in Southwest Asia today. It is expressed in other ways, and it is expressed in the BAE scandal.

The blowing of the scandal, the identification of Prince Bandar of Saudi Arabia as a key figure in this international swindle, has blown open the whole issue. If Bandar goes down, then the whole system would tend to go down. And there are many people in the United States, and also some in the United Kingdom, as well as in Europe, who would welcome this immediately.

So, we're now at a point, where the old system has collapsed, a rotten system which has been in existence in this form since 1971, since the Summer of 1971. This system has now collapsed: There's no possibility that the present world monetary-financial system can continue to exist in its present form. The date on which it would die is uncertain, but the inevitability of its early death is absolutely certain. Therefore, we have to choose a new system. This is the case for the people in London and elsewhere, who are behind what the BAE scandal represents: Those who are looking for a one-world empire, for globalization. That's a new form of world empire.

We, on the other hand, have an option: If the United States

plays the role for which it was intended, at the time it was created as a Federal republic, and allies with nations around the world, to bring together a coalition of nations whose tradition is European, whose tradition in other cases is Eurasian, that is, like Russia—Russia is a Eurasian nation, not a European nation; it has European roots, but it also has Asian roots in its culture. Then you have the great Asian cultures, represented by China, India, and so forth, and other large countries of Asia. The objective on this planet should have been, for a long time, to find a way of bringing these three sectors of the world together in some form of cooperation: the European culture as represented in a sense by what the United States has achieved by freeing itself of oligarchical traditions. Russia is typical of the Eurasian group of nations, that is, who represent both Asian cultures and European cultures; and those Asian cultures, such as China, India, and so forth.

### Challenges of the Future

If we can bring these great cultures together, in a program of recovery of the planet as a whole, the following is the case: We now have a project online, which has recently been boosted in Russia, a project which I've been supporting a long time, which is to build a tunnel, a railway tunnel from Siberia to



Transrapid

*The maglev train from Shanghai to its airport is the only commercially functioning maglev in the world so far. But a system of cooperation among sovereign nation-states will be linked together largely by maglev or high-speed rail.*

Alaska. Now, what this would do, would lead to a global change in the character of human relations on this planet. It would mean that we would have high-speed rail, or magnetic levitation transport systems, coming from Europe, into not just Alaska, but down through the entire Americas. We have intended this for a long time: to have a complete rail system, connecting the north of North America, to the southern tip of South America. By going through a similar way, through Southwest Asia, and across from Europe into Africa, we now would have a way, in the immediate future—not necessarily in my lifetime, but beyond—in which we can unite the major parts of this planet, together in a new form of economic cooperation, as sovereign nation-states, linked by high-speed rail transport, or magnetic levitation transport. We would then have changed the world from one dominated by sea power, to one dominated by the development on landed areas, or populated landed areas.

This great change now stands before us. We have new technologies, new fundamental technologies, like nuclear fis-

sion power, which is needed to deal with the water problems of much of the world, the freshwater problems. I'm for power, in general. We have the new technologies of thermonuclear fusion technologies, which are significant, because they provide new kinds of isotopes which we can manufacture in large degree, for various kinds of needs, as well as a source of power. We have the great projects of transportation and other kinds of great projects, to rebuild the planet as a whole, through a system of cooperation among sovereign nation-states, which are largely linked together by international high-speed rail or magnetic levitation routes, to take every part of the world—including the most remote parts of Africa, and desperate parts of Africa—to bring them together in a common world system, a system of sovereign nation-states.

And that's where we are today. And therefore, on the one hand, I'm optimistic as to what can be done, what must be done. I'm fearful of what will happen to humanity, if we don't do it. What we have in South America in particular, in the attempt to bring some cooperation among the states of the continent of South America, is extremely important, because it sets a model for nations which have completely different kinds of special problems: like the problems of Bolivia, are not the same as those of Brazil, but they're related. The problems of Colombia, the problems of Argentina, these are all different kinds of economies, with apparently conflicting interests. But they have an overriding common interest! And therefore, we have to take nations which have conflicting requirements, and bring them together around the idea of a common purpose, a common goal for mankind. And this Bank of the South operation, which has emerged in South America, is key. The nations of South America do have the right, the implicit right, to set up their own credit system, their own international banking arrangements among sovereign nations, to create large-scale credit, and to regulate their relations with one another, with the idea based on the Westphalian principle: that is, that each nation shall consider the welfare of the other nation, as its paramount concern. And if all nations look at that in this way, we don't have a problem in cooperation, with the Westphalian principle.

So, the time has come where we have the worst crisis in modern history; we have a crisis which goes probably worse than some of the problems of the dark ages of Europe. We're coming to the limit: We have a financial system which can not be saved. There's no way of functioning under the existing monetary-financial system of the world—can't do it! We have a crisis, where the system is threatened with coming down in various ways, the BAE crisis is typical of this. And on the other hand, we have the possibility, on the basis of experience and desires of people of conscience in many nations, to bring nations together around a new monetary system, more or less consistent with the intention of Franklin Roosevelt at the close of World War II, to build a new world monetary system, based on a credit system, rather than a predatory monetary system, or monetarist system.

We have specific projects and technologies, which are either developed or could be developed, which can address most of the problems. We can bring together the entirety of the planet on the basis of the same principle, celebrated in the Treaty of Westphalia in 1648: It's time to go back to that.

So, that's my message for the moment.

**Moncayo:** Thank you very much, Mr. LaRouche. I now introduce Agustín Rodríguez, the Secretary General of the Trade Union of Workers of the National Autonomous University of Mexico, and we greet him. He will speak about the problems that globalization has brought to Mexico—particularly, a law was approved in Mexico, privatizing the social security of state-sector workers [ISSSTE], and this law completely violates any concept of dignity that workers have. Agustín Rodríguez as a leader, both of the university trade union, but also as a component group of the UNT trade union confederation, has been carrying out a series of activities to denounce these violations of workers' rights, and the really anti-democratic nature of this fascist-type reform, which is being imposed in Mexico and across the continent today.

---

## Eng. Agustín Rodríguez: Stop Social Security Privatization in Mexico

---

Thank you very much. Good afternoon. I've arrived slightly late to this conference and I'd like to apologize for that. But today was an important day for us, because of the demands which we have been making, the protests as the UNT, and more specifically as the STUNAM trade union, protests with regard to this new law which has been imposed recently on state-sector workers, and which totally changes the social and economic context that workers face, especially in terms of what they get for social security here in Mexico. Today, we got a response from the Labor Ministry of Mexico, a response to a document which we gave them eight days ago—we gave it to Javier Lozano, the Labor Minister of Mexico—in which we presented and we documented the violations of the Mexican Constitution which are implicit in the law which was approved on March 30th. And today, they answered us. And we have not yet analyzed it from a legal standpoint, and we're going to continue with our work.

Now, here, it's very important to turn to the subject of globalization. If economic globalization were good for all human beings, we would be seeing general benefits on a global scale. However, there's something about economic globalization, which is that the only thing that has happened as a result of it—and this is the case not only in Mexico, but just about in every country around the world—is it has increased the poverty of the citizens. It has also reduced the income levels of all workers, and that is something which has to be analyzed in



*Eng. Agustín Rodríguez, Secretary General of the Union of National Autonomous University of Mexico Workers.*

EIRNS

upcoming conferences and actions which we will be carrying out. Because it's not just a question of having a policy position opposed to the free market economic system, but rather, we're opposed to a policy which has been producing the impoverishment of millions of Mexicans.

## Economic Crisis in Mexico

If we look at our situation here in Mexico, if we look back two Presidential terms ago, 12 years ago, we had 18 million Mexicans who were living in poverty. Today, 50 million Mexicans are poor—and of those 50 million, 20 million live in extreme poverty. At this moment in our country, there are many parts of the country where education is not available in an adequate way. There's no quality education for all the inhabitants of the country, even though there is a constitutional provision, a social provision of tremendous impact, which establishes that the state must provide obligatory and quality education for all Mexicans. But we don't have that! As a result of that economic system which has produced so much economic inequality, we find students who don't even have an adequate place to go to school for a basic education. And that is something which has been happening.

Another area of impact: Public education is not really supported, it is not given the support that it requires from the Federal Executive branch of government. Every year, we have to fight for them not to cut back the budget. This year, in the previous Presidential administration, the previous President, President Fox, achieved the impossible: He managed to get the general budget for education to *fall* by 0.2% compared to the previous Presidential term. And that gives you an idea of their concept.

Then, if we turn to the issue of food, consumption and food production in the agricultural sector, we have a tremendous deficit, a developmental deficit, as a result of the agreements which were reached through the North American Free Trade Accord (NAFTA). Who are the beneficiaries? It is not we Mexicans who are benefitting. It is the other side of the equa-

tion, because they are the ones who have tremendous economic capabilities for subsidizing their products, the products produced in their countryside and their agricultural sector, and they do so with millions of dollars. Here in Mexico, we just have a couple of million pesos for those subsidies. The United States is actually violating that NAFTA agreement, because it's prohibited to subsidize agriculture, yet the United States is doing this in a really cynical fashion. Because, what this does, is that it encourages inequality in the generation of free trade.

So therefore, there are a lot of agricultural products which enter Mexico from abroad. And what we produce here in Mexico just has to be thrown away. Because these products rot, because they are warehoused and no one buys these products, because they're more expensive than what is dumped from abroad. As a result, agricultural production in Mexico is not developing.

So there's no development of the countryside, and of agricultural products, and of food in Mexico. Then we find the other aspect of the economy, which I wanted to mention, which is the feedstocks for animals, which are in turn used for human consumption. Animals that consume transgenic agricultural products, some say this is generating diseases. This has not been proven; but what is a fact, is that we are facing a lot of diseases which we didn't have previously, and these are now developing, especially in countries such as Mexico, because of the consumption of feedstocks which are developed under this agricultural process of transgenic crops.

## The Social Toll

Now, let me turn to the social aspect of this, which is the final point I want to mention: Social security in Mexico has functioned under a system, which has a name which says what it is; it's *social* in nature. Now, what's happening today, is that accounts are being individualized and privatized. We have a situation where medical services are being privatized, and this is a path to the free market economy, to a supply and demand system, for pensions and retirement funds, and for medical services.

We are convinced that the fight being waged by our trade union and others as well, is not a fight which will end today or tomorrow. It's a long-term battle which is not only part of the broader phase of the fight against this new law, the ISSSTE law which has been imposed, but it is part of a fight against what has been identified as "structural reforms" of the entire system. And those structural reforms are what are being



*Rodríguez tells how NAFTA and globalization have destroyed living standards in Mexico, as shown by this "housing" for maquiladora workers on the border with the United States.*

pushed in Mexico, to generate an even greater exploitation, along with a greater enrichment of the owners of capital. There is a proposed tax reform which is under way, and there's also a labor reform, which is being discussed.

On this labor reform: There is one article which the business layers really want to change. This is Article 35, which establishes the ways, the mechanisms by which businessmen can hire workers. The issue is the idea of hiring temporary workers, and hiring apprentices. That form of hiring, in the '60s and '70s, led to an enormous exploitation of the workers, such that, in 1971, we managed to reform that article, and we eliminated that form of exploitation, that kind of hiring of workers in Mexico.

Now they want to reopen that same issue. Why? To be able to create so-called "flexibility" in the hiring of workers which will eliminate social security, absolutely and completely—no benefits, collective contracts, or trade unions. Because, with this kind of temporary hiring, for three months, four months, and with such a large supply of unemployed labor, clearly today, they'll hire a worker and in three years, they'll hire the same guy all over again. And that will destroy any kind of social security, and any defense of the interests of workers.

There was a very good debate which we were involved in in the last legislature, and we were able to deal with in the Labor Committee in Congress, and we managed to ensure that that change did not go ahead in the last legislative session. But that's the nodal point, the central point of the legislation, because that would allow them to make any kind of hiring "flexible."

Even worse, the idea of hiring for apprenticeship, which



becomes a merit-based system, so that somebody comes and says, “I’m going to come here to work and learn, but I’m not going to be paid; or else, pay me just a little.” And this will lead to even further exploitation of workers. We’re totally opposed to this.

We have said, and we’re quite convinced, that the structural reforms that are being proposed, are being pushed, so that Mexican workers and Mexican society accept this as a condition, supposedly to be able to open up the country and create development. This is a fallacy. This is totally contrary to the interests of development of Mexicans, because it’s been shown that where these types of schemes have been applied, there has not been progress, there has not been any development, and there has not been any reduction in the social injustice gap, which the economic neo-liberal system has created. And that’s where we want all of these aspects to be rediscussed, reopened.

This is the path of lack of equity, lack of equilibrium, lack of development, lack of fair conditions. I’m convinced that the only way, the only formula to be able to develop the country—and this is not something which I’m inventing, but which has happened in developing-sector countries—is to protect, and always be very careful to maintain and promote, step by step, to protect your internal market. If you protect your internal market, you encourage employment, you take care of health, food, nutrition, education of the population. In this case, our internal market has been completely destroyed. It has been made subject, our entire economy, 70% of it, to foreign interests; it depends completely on what happens in foreign markets.

Now, these matters are not counterposed, because we can develop our foreign markets, because we do have to participate and encourage all the exports imaginable. But, we must defend the internal market, first and foremost. That’s what the United States does; that’s what France does; that’s what they do in many countries around the world. And that’s the key to the differences, the disagreements that we have. Those of us who are *not* in agreement with this oh-so-pragmatic formula of bringing goods in from abroad, imposing these products here in the country—they tell us that this is generosity, charity, goodness. Yeah, sure it is . . . but only for the few.

### **Impoverishment of All But a Few**

And so, just a simple exercise: Take a look at our country. Our country is on the verge of having the first trillionaire on a world scale. What does that mean, to have the first trillionaire? It means that we have tremendous poverty! I don’t want to compare ourselves, in the scheme of things, to countries in Africa, in terms of starvation, but there are parts of the country where that is happening. We’re not far from going into a situation with that kind of impact, if there’s no food production in the country, if there’s no generation of employment, if there are no dignified salaries, because only owners of capital have

decent incomes. So, in the final analysis, what we have here is something that can not be understood except in one way: Yes, there is wealth production—but, only a few benefit from it. And that’s why this neo-liberal economic model has to be reviewed, reformed to stop the generation of poverty and impoverishment which is going on.

This is something that we’ve been working on as a trade union, not just recently. We warned about this in 1985, when the imposition of this neo-liberal economic model began, and where we presented a diagnosis of what would happen if we did not act in time. That was 1985, during the period which was the supposedly Golden Age of the PRI government, which encouraged the imposition of this neo-liberal economic system. And everything which is happening, and which the two most recent governments have followed without question—they’re following the exact, same program. And we said back in 1985 in a full-page advertisement: “The destiny of Mexico is being lost, we have to change our course.” What is going to happen, when everything that we said there, is now happening in our country?

We diagnosed the situation back then. Unfortunately, in the trade union movement in general in Mexico, we have not yet found enough perception or sensibility, to be able to create a broad front with three or four central objectives, so that as a great trade union mass of people, we can carry it out. I’m completely convinced that the only people who can change the path of Mexico, are we, the organized workers of the country, those who generate the wealth; those who ensure that everything that exists in this country actually moves! And the same holds worldwide. And that’s the worker in the countryside, the worker in the factory, the worker at the universities, the worker in the schools, the worker in hospitals, the worker everywhere. We are the ones who can do it.

Unfortunately, in our country, we still have a situation, where there are comfortable postures held by some trade unionists, where, in exchange for three or four little bits of political power which are handed out, people make deals. We have not been able to create a broad movement in the left, where we have three or four currents in the trade union movement, or the cooperative movement, also with three or four groupings. We haven’t been able to do what we need.

But it doesn’t matter: In the final analysis, the demands of the workers are being felt. We have to get busy, we can not continue to have a situation of passivity, of comfort; because we have a crisis facing us in the short, medium, and long term. And as a trade union, the STUNAM, we are involved in this. We do not tire. This new law which has been imposed, they may have imposed it today and for tomorrow, but we are going to get it abrogated. We fought for this, in the ’70s and ’80s. We fought to make sure that workers had full labor rights. And with a Congress that was 90% in the hands of the PRI, we managed to transform Article 3, so we were able to modify the Constitution. Now, this is a secondary law, and I do think that



Government of Mexico

*The late President José López Portillo raises the national flag in 1982, proclaiming the sovereignty of the republic and nationalizing the banks. Despite promises, he was not supported by the governments of Brazil and Argentina, and Mexico “went into the soup as a result of that.” He and LaRouche remained friends until López Portillo’s death in 2004.*

we can get it cancelled, abrogated, so that the constitutional rights of workers are respected, rights which are today being violated by this new law.

If there are any comments, I’m available. Thank you very much, and we’ll open it up to conversation.

**Moncayo:** Okay, thank you very much, Engineer Rodríguez. After the presentations by Lyndon LaRouche and yourself, it’s clear enough that the world needs a new world economic and financial order, with the programmatic content along the lines of what Mr. LaRouche has proposed this morning.

What I would like to do now is to open the floor for a period of questions and answers, both from our international audience, and also from here in the auditorium in Mexico City. We see that more and more people, labor representatives and others are arriving. Along with Eng. Agustín Rodríguez, we see another important leader of the STUNAM, biologist Agustín Castillo, and also Erik de León, a representative of the LaRouche Youth Movement in Mexico City and in Mexico as a whole.

### **The Bank of the South**

I have here the first question which comes to us from Bolivia:

“As all of you know, the Bank of the South is in the process of being created in South America. What are the main

obstacles that have to be overcome as South American nations, to bring this about?”

So, I would like to ask Mr. LaRouche to answer this question about the Bank of the South, and then we will ask Mr. Rodríguez to speak.

**LaRouche:** The Bank of the South is a real victory, but a limited victory. It’s an essential step, because it changes the character of the relations among the nations of South America. It’s not perfect yet. But it is a first step, a very important step in that direction.

Let me go back on this thing: Back in 1982, when I was standing with a great friend of mine, the President of Mexico, López Portillo, and we had at that point assurances from the governments of Brazil and Argentina, to support López Portillo in these efforts. And they, under great pressure, capitulated, and Mexico went into the soup as a result of that, in the Fall of that year. But the precedent was great. López Portillo is a hero. That has been lost somewhere in the shuffle, but he stood up with courage, and one should look at his address to the United Nations in October of that year, which is still available. And you see a statement of a patriot of his country, defending his country against the rapacity, which at this point was coming from the United Kingdom and the United States, in particular.

So, what this represents is a *line of resistance*, against the debt-prison condition of the nations of South and Central America. The very fact that this institution has been initiated,

actually with an action started from Argentina with the support of other countries—Brazil and Venezuela, and so forth—and other developments, are good developments. They do not answer the question, they pose it. And they bring together a group of nations, which are now in a process of discussion to try to understand the Westphalian principle: Can we in other parts of South America, understand the problems of Bolivia? Can we understand the problems from other parts of South America, in Peru? Can we understand the crisis which faces Ecuador, because of the recent history? Can we understand these things? Can we make the concern about the other, our primary concern? Knowing that if we *all* agree on that, we can establish a system.

So, you need a banking institution, a central credit institution, backed by the constitutional arrangements provided by each nation, to create a common institution, whose slogan should very well be the famous Westphalian slogan: “The Advantage of the Other,” that each of us cooperate to the advantage of the other.

Now, this requires an international arrangement, as Agustín has said. We in the United States have a special understanding—or some of us do, at least—of the problems of Mexico. I’m sort of close to Mexico in many ways. But, what we’re doing to the Mexican population—we drive it into desperation, we drive it across our border; we use it as cheap labor; we destroy Mexico in the process of doing that. Then, we blame Mexico for attacking the United States, by sending its cheap labor over to work for our companies here. It’s wrong!

The security of the United States, in past times, often depended upon the security of Mexico. Take the case of the Civil War: The British, supported by the French at that time, Bonaparte, overthrew the government of Mexico. This was an attack upon the United States! When the United States won the Civil War against the British puppet called the Confederacy, we acted. And Mexico regained its sovereignty.

We have always understood, since Secretary of State John Quincy Adams, before he was President, we’ve always understood, that the defense of the sovereignty of our neighbors, is an essential part of our security. And this is the same thing for the hemisphere: The conditions of life in Mexico imposed today, are a threat to the United States. They’re a threat to Mexico. You have similar kinds of attempts, which are being resisted, in South America! So, resisting these kinds of repressive, really, colonialist methods, is an essential part of the defense of each country on behalf of the other.

If we understand this, and if we understand that, as nations, this is the case, we can solve the problem. The other thing is a question of national sovereignty. If you do not have national sovereignty, you don’t have citizenship. You are simply a peasant, with no protection from the landlord. Because each of us—sometimes we have the same language, with slightly different dialect, but we have a different history, and among our ordinary people, there’s a different history. There-

fore, in order to govern, sovereignly, we must be able, in each case, to bring our people together in some kind of functioning relationship, where they can act *with a united, sovereign will*. We have to then, bring nations, which each have their sovereign will, as defined in part by their cultural history, and their specific history, together, to understand what their common interest is, as a group of nations.

And to me, we are approaching an understanding of that type. It may not be settled, but we’re approaching it in a discussion around the Bank of the South, which I think is extremely important.

And this ties in: If we understand that the success of the Bank of the South, in terms of its intention, in South America, is essential for Central America, for Mexico, and for the United States, and if we realize that we can only realize that by setting up a new international monetary system, which includes the Bank of the South as one of its key institutions, then we are on the road to victory.

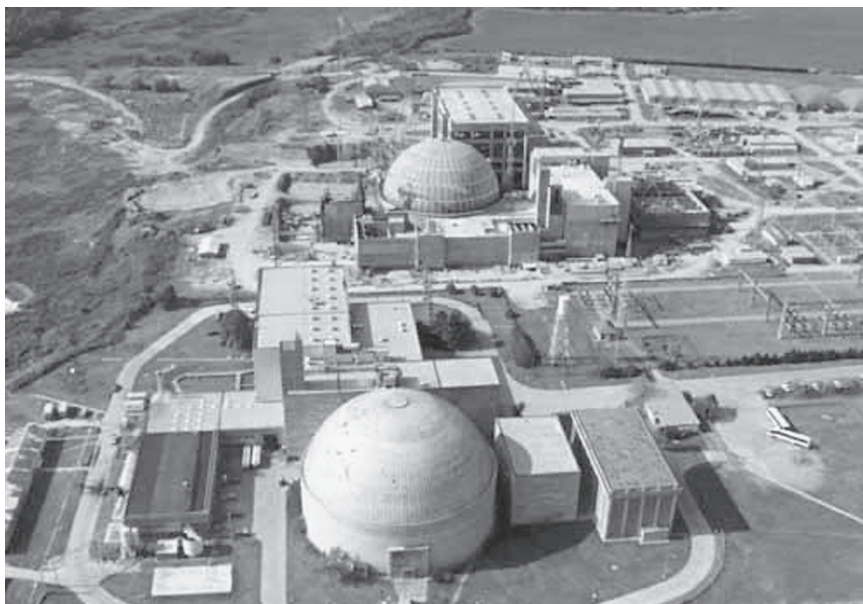
So, I think the Bank of the South should not be exaggerated, in the sense, don’t put too much blame on it for what must be done. But it is an indispensable institution, at this time, and it must be defended, and promoted, as an indispensable institution, with the intention that it should become an integral part of a new world monetary system as a whole, in which it represents its part of the world, and is part of the general concern for the welfare of the other.

**Moncayo:** Thank you very much, Mr. LaRouche.

Here in Mexico, from 1994 on, under the regime of Salinas that began at the beginning of that year, the Bank of Mexico was granted a supposed autonomy. It was no longer answerable to the Executive branch of government, and with that, the collapse of the internal market was aggravated by the lack of internal credit for production. The Bank of the South is, as Mr. LaRouche has explained to us, a fundamental pillar in the step towards creating credit for production.

I would like to ask Eng. Agustín Rodríguez if he would like to make any comments with regard to this question, which was asked from Bolivia by Mr. Ibáñez from La Paz.

**Rodríguez:** Well, I think it is important for there to be an alternative institution, to what we know is the World Bank, the Inter-American Development Bank, which is what has created an lot of impoverishment, because the credits which are issued, then create circumstances where it’s very difficult to repay these loans. And those loans, these credits—I don’t know of any country in Latin America which is not indebted. So, I think that it is important to build an alternative banking arrangement, with resources that could be used or where contributions could be made to it by all countries which want to have a different form of development. However, that’s only one part of the problem, the capital side of the equation, because the other part is to encourage and to create a formula or way of carrying out joint work, where Latin American countries, especially those which produce oil, where others pro-



CNEA

*For Mexico, as for all the world, an economic recovery will mean long-term infrastructure projects in power systems, water, transportation, and social infrastructure such as schools and hospitals. Here, the Atucha nuclear power plant in Argentina.*

duce agricultural products—that is to say, we could set up a Common Market which could lower the cost of living in the countries of Latin America.

That's something which has been discussed. It was discussed and presented at one point by Fidel Castro. It was also discussed by Hugo Chávez, and now also by the President of Bolivia, Evo Morales, and that's where we have to work. I think the idea of discussing a broad united front of trade exchange is necessary, because it's not just a question of banking. It's the other side, which allows us to create a front, which would allow us to renegotiate that enormous debt which all countries in Latin America have, and to encourage a different kind of economic development, completely different from the current form of development, which has only produced conditions, where the interests of capital have greater benefits than society in its totality.

**Moncayo:** Okay, thank you very much, Agustín.

We would also like to announce that we have here in the auditorium, the General Secretary of the trade union of the passenger transportation sector of Mexico, Clemente Estrada, and he's here to participate in this dialogue with us. I would like to announce that in a few moments, we will have greetings from the Secretary General of the General Trade Union Confederation of Argentina, the CGT. As you know, this is the most important trade union confederation in Argentina. And so we want to now turn to Argentina, which, after having won an important and unprecedented victory in social security, we need to emphasize the great progress being brought about towards the general welfare of the society, which is being pur-

sued by the government of Néstor Kirchner, and also coming from this important trade union base, which is the CGT.

Now, let's turn to some questions from the auditorium here in Mexico City.

**Q:** My name is Alfonso Flores. I'm a representative of the workers and my question is: What is the point of view of the new ISSSTE reform laws, in terms of handicapped people? What will happen to the handicapped? I would like to ask Agustín Rodríguez to please answer this question.

**Moncayo:** One minute, please. First, I'd like to ask if there are any additional questions from the auditorium here in Mexico City. If anyone would like to ask a question with regard to these two presentations which we've heard so far, please come forward. We have a member of the LaRouche Youth movement, who wants to ask a question.

## Mexico's Role in Global Development

**Q:** My name is Carlos Jonas of the LaRouche Youth Movement. . . . I would like to ask Mr. LaRouche to present a perspective of how Mexico can participate in a more direct way in the reconstruction of the world through these great infrastructure development projects which have been proposed, including this idea of the tunnel going through the Bering Strait, since sometimes, it's hard for us to make the population understand how Mexico can participate in this worldwide economic reconstruction. Of course, without leaving aside dealing with all of the neo-liberal economic measures being proposed, but also in a parallel fashion, how can Mexico participate in the creation of these projects which, as far as I'm concerned, would resolve a large part of the poverty which the population of the world is facing today?

**LaRouche:** Well, the answer, of course, essentially, as I know it with respect to Mexico, is that what happened, beginning the Summer of 1982, was a process of willful massive destruction of Mexico and its people. This was accelerated. It was already begun then. It was begun under heavy pressure from the United States and from the United Kingdom. I fought against it. López Portillo and I got into great trouble for fighting against these forces. But the destruction, the systematic destruction of not only the welfare, in terms of incomes, of the people of Mexico, but the destruction of their capability, their productivity, their opportunities to produce, is such that you have permanent damage, which you would compare, for example, in U.S. history, with this situation in the United States after only four years or so under those before Franklin Roosevelt.

We had a problem in the 1930s of a population which had suffered great loss in productivity, in skills, in opportunities, in industries and so forth. We had to rebuild. Franklin Roosevelt rebuilt. In fact, we had a drop of the U.S. economy by about 30% from the time of the 1929 crash until the time that Roosevelt was inaugurated. These policies were not just caused then. They were caused by a longer period of measures over the whole period of the 1920s on. There were certain wars in Mexico and so forth, which had an effect on this, and also on the United States itself.

Therefore, we in the United States, under Roosevelt's policies, which are the traditional American Constitutional policies, we rebuilt the United States. We created the greatest economic machine the world had ever known, from the depths of poverty, over the period into 1945 and the end of Roosevelt's death. And Roosevelt had intended, had he lived, to develop the entire world on that basis, by converting the war machine we had built up to defeat Hitler, to use that to develop developing countries, and to give nations which had been colonial nations or semi-colonial nations, their freedom to develop their future, to create a community of sovereign nation-states on this planet.

Now, we face a situation in the Mexican population which has two components, two principal components, inside Mexico and inside the United States. This population is in grave danger, so therefore, what we would have to do is take a project like the anticipation of the completion of the Bering Strait Tunnel. We wouldn't simply wait until that tunnel is completed to start the operation. You would already build the adjuncts which are going to fit into it, to build up the entire network of operations from Alaska through Canada, into the United States and southward all the way to Tierra del Fuego. We have to now. So knowing that we're building an international system would be reason enough to build each component, not wait till one's completed before starting the next one.

What we would face, as a problem in Mexico—presuming that Mexico gets back its sovereignty, the sovereignty that existed on paper, at least existed in principle, at the time the attack on the López Portillo government occurred in 1982—we would have to rebuild, largely starting with infrastructure projects, long-term major infrastructure. This would mean high-speed transportation. This would mean water systems. This would mean power systems. These would have to be largely public institutions, because you don't have the private institutions which could do this on that scale. You would then use, as we did in the United States in the 1930s, for example, you would then take the poor population of Mexico, the agricultural, the rural population. You would have to have a protectionist policy, to protect the Mexican jobs, and protect the living standards by protectionist measures, which would prevent companies from dumping cheap products on Mexico to shut down their industries. You would have to have the institutions to rebuild the well-being of the Mexican people, especially the Mexican poor. You would have to have reforms in

education. These kinds of things were tried in the United States during that period, and we continued some of these things after the War had concluded. We did create an increase in productivity per capita, we did increase the standard of living inside the United States, *by these internal development measures*, not by foreign measures. And therefore, the same thing would apply here.

## A Fifty-Year Perspective

We have to see the coming 50 years of the world, as a 50-year additional development program. We have to envisage along all the rights of ways of the great transportation systems, ground-based transportation systems, which are needed for this. We have to see all along these routes, we are developing the routes of development—protectionist routes of development, protection of national sovereignty, economic protection of national economic sovereignty—and thus build up the Mexican population, both that which is now working as virtual, almost slave labor, in the United States, and as slaves looking for employment as slaves on the south of the Mexican border with the United States. We have to change that. We have to move that in Mexico as well, but we have to be patient. We have to realize that we have desperately poor people throughout the hemisphere. We must understand the problem of developing a nation over several successive generations, to take the immediate situation, find remedies, improve things now, move upward, upward, upward, over three generations.

You know, when people came into the United States in the late 19th Century, early 20th Century, they came in from Europe. They came in in three generations—those who came in as cheap labor from Europe became the scientists, the physicians and so forth of our economy, not all of them, but many. We integrated the population of the United States. So then, under Roosevelt, we saw ourselves as one people, no matter what time, we came into the United States, we saw the United States as a place where there were no oligarchies. Or we had a few from England, but not real oligarchies as in Europe. And people were glad to be in the United States, *to be free of the burden of a European-style oligarchy, of the type that still dominates the continent of Europe and the United Kingdom today*.

And we have to have that attitude, of building the strong citizen, with a sense of citizenship, with a sense of a future over a three-generation or four-generation span. We have to have people who are struggling today, knowing that their grandchildren will prosper, and seeing their future in what they're contributing to their grandchildren, as we did then in the United States back in the 1920s and 1930s. And with that attitude, we are going to take the view of developing the entire hemisphere as a part of a global system.

**Moncayo:** Thank you very much, Mr. LaRouche. Before going on, I would like to ask Mr. Rodríguez if he has any comments on these ideas posed by previous speakers.

**Rodríguez:** Only on this question of the workers who are handicapped, the new law doesn't deal with this at all. Here, there's no delimitation, no reduction of benefits under the previous law. So, that's what I would say at the moment. I wouldn't want to say anything further, because I understand there are other presentations that need to be made.

**Moncayo:** Thank you, very much.

Now we are going to hear from Yasmir Fariña Morales. She is currently the Vice President of the FENAFUCH, the National Federation of University of Chile Employees. She has a very long history of fighting for social causes and for the defense of the interests of university workers, and workers in general in Chile. As you know, Chile was the first country where the policies of social security privatization were implemented. This was done by force, by violence under the Pinochet regime, and from that time to the present, we see some of the results. Please go right ahead.

---

## Yasmir Fariña: Chile's Fight Against Social Security Privatization

---

I am speaking from Chile, and I want to speak about the damage caused by the privatization laws. I want to thank the Lyndon LaRouche organization and also congratulate Agustín Rodríguez for having undertaken this tremendous battle. We have been fighting for about ten years now in this university to expose the privatized social security pension system in Chile.

The pension system was changed during a dark period of our history, which began on Sept. 11, 1973 with a military coup. What was imposed in Chile at that time was an economic system, and political and social system of globalization and neoliberalism. Chile became the first country, the first laboratory for the neoliberal system, to an extreme. And today, we see how the concentration of economic power through the AFP system [Pension Fund Administrators, or the private pension funds—ed.], has made employment more precarious—that is, through “flexible” jobs. Young people don't have any future in the labor force. They are hired on a daily basis, for specific projects, and paid a daily stipend. People who reach a certain age are considered to be “too expensive,” not efficient enough, and their years of work are not recognized.

In this model, which has been imposed on us and which, unfortunately, in the four years of the *Concertación* (Coalition) government, we've been unable to change, 50% of the labor force does not pay into the system. This is a very significant number of people who, because of their low wages, will not be able to obtain any kind of a dignified pension when they retire. We find that this model doesn't permit people to



Courtesy of Yasmir Fariña

*Yasmir Fariña is the Vice President of the National Federation of University of Chile Employees, and is a leader in the fight against privatization of essential services, including social security.*

move freely to the “pay as you go” system. So we have become slaves to a system with no possibility of improving it, since the [government's] current proposed reform confers legitimacy on what was imposed on us under the dictatorship. So this is the brutality of neoliberalism imposed on us here in Chile.

We've reached the extreme of privatizing everything basic—electricity, communications, potable water, education. The state is less and less involved in financing public universities. Today, at our university, only 17% of our budget comes from the government, and the rest has to come from “self-financing”; that is, from outside sources. There are a whole number of private universities that have been created, where education has been commercialized, and the gap between the poor and the rich is more brutal day by day. As for public education today, students don't have access to it, and can't get into the public universities because the system is very bad.

Our public health system was also privatized. Today we



CREDIT TK

*Yasmir Fariña describes her speech as a “wakeup call” to Chilean President Michelle Bachelet (shown here). “We call on her to truly reform this neoliberal economic system.”*

have tremendous technologies available in terms of communications and health, but it gets to only a very small minority of the population who have the economic resources to pay. The public health system is poor, indeed. It lacks the most basic things you can think of, and even health-care workers are being privatized as well. Things like nutrition and nursing are being outsourced to private companies. Auxiliary workers and guards are now employed by private companies as well.

Another aspect of this AFP system is that it opened up a market for a group of economists, who were progressive at the time, and who have sold all of these companies to the multinationals. Now the Chilean AFPs no longer belong to Chileans! They are owned by multinational companies, oligopolies, and the resources are being invested abroad with great risk to us, especially based on what Mr. LaRouche has just told us. We’re running a great risk with the investment of our pension funds outside the country. And even more serious is the draft legislation that our President, Michelle Bachelet, has sent to the Congress, increasing to 43% the percentage that pension funds are allowed to invest abroad. All of the losses are absorbed by the workers under this private pension system, but these companies have had the most incredibly high profits.

So, today, there is no real concern about protecting social security in Chile.

Public sector workers are among the first victims. Public workers under the old system who moved into this new privatized system, because they were forced to switch over—they were forced because the system’s leaders were named by the military, and they were forced by propaganda, told otherwise

they would lose their job—these people are finding that their pensions today are not even 30% of the wage they were earning. So, what they’re going to get is less than 30%. We have the specific case of architects, for example, who earn 1,600,000 pesos. Their pensions are less than 400,000. This is the situation for the middle class, or for the middle and lower-income levels of public employees, as is the case with auxiliary administrative workers, who earn 500,000, and whose pensions under the privatized system don’t exceed 92,000 pesos. It is shameful that we are exporting to the world a system which is impoverishing workers, and yet economic power is being concentrated in fewer and fewer hands.

## **Looting by Foreign Companies**

Another thing which is of great concern to us is how Chile has been opening its market, importing foreign products. And this has forced numbers of large companies into bankruptcy. We had companies that employed thousands of people and yet today are bankrupt, and no longer exist. Our entire textile industry has disappeared. And in this process of exportation, we’re being robbed of all our natural resources. Our forests are being stripped; our seas, our agriculture are exporting raw materials, and what comes into Chile are finished products which are purchased by Chileans. Look at how they’re stealing our natural resources!

So this neoliberal economic system is not helping the Chilean population. The image presented of us abroad, is not what we are experiencing here in Chile. It is not what we have seen or know, when we try to get health care, when we talk to the trade union leaders and see the terribly impoverished conditions under which technicians, professionals, nurses and doctors, are trying to function; when at the state-run universities, professors get pensions that are 30% of what they were earning, and become poor, and current employees end up living in poverty, because a pension of 90,000 today in Chile is really miserable. And when we see how our national industries have been shutting down, we think the time has come when we have to denounce this internationally.

We have had a large number of seminars, and in this regard, I really want to thank the LaRouche organization for allowing us to present to the world the reality of Chile, which is otherwise hidden, and which the politicians themselves hide and cover up, and the government of the *Concertación* has not been able to improve this situation, to humanize it.

## **Drugs, Crime, Unemployment**

We are today facing a reality which is really quite terrible, due to the introduction of drugs in the country. The drug problem among the poorest layers of the population in particular is striking, and there are no words to describe how a market has just sprung up in this sector of the population. People can’t imagine what we are living through. And then there’s the crime wave existing because of the large number of unemployed. There’s a large number of people who are of working

age, but who don't have jobs, and end up getting involved in criminal activity.

I would also like to say that we have been involved in these battles for a very long time, denouncing this fascist system which Pinochet left us under Decree 3,500, which is robbing our youth of their future. We despair of the fact that while there has been a proposed health-care reform, it doesn't focus on improving the quality of health care. Nor does the proposed educational reform improve the quality of public education. And today, we have a situation where students are occupying schools, and we can not allow people to be driven into poverty as far as education is concerned. Today, students from the Student Federation have occupied the main building at the University of Chile, because they have such huge debts that they can't get a decent education. The high cost of public education in Chile has created an intolerable situation. Professors have been forced to work at private universities to get a decent income.

So I think this has reached the breaking point in this country. They have privatized public transportation, and the state is refusing to take a responsible role in the area of public services, in public transportation. So, they've truly taken us to a situation which I would say is one of despair. We despair, when our colleagues have terrible pensions, when they can't get adequate health care they can afford. Today, anyone who doesn't have money doesn't have good health. Anyone who doesn't have money or doesn't go into debt, can not educate his children.

So, I think that Chile truly is not what people say about it abroad. It has grown significantly economically, but the wealth is concentrated in a political group, in an economic group, and unfortunately, they are the ones who control communications and are financing political campaigns in Chile. And I'm talking not only about the politicians of the *Concertación* group but also of the right wing. Today, the right wing in this country, seems more leftist than the parties of the *Concertación*. When some of the *Concertación* politicians come out and denounce these policies, and denounce how our raw materials are being stolen, without paying taxes, they are labeled as radicals who are against the *Concertación* even though they belong to it.

## A Wake-Up Call

So, I would say this should be a wake-up call to our President, who is a Socialist and in whom we placed all our hopes as leaders who belong to the parties of the *Concertación*. We call on her to truly reform this neoliberal economic system, which today doesn't favor the great majority of our people, and which in the short term will lead us to the kind of social movements that we had in the past, that we do not wish to recall. We've had lots of strikes. We've had workers in the south who have gone out on strike, where people are facing a terrible crisis and have had to take to the streets. Less than a month ago, a worker from a forestry company died because the com-

pany refused to negotiate appropriately with the workers, so he was killed by law enforcement officers. This worker was in such despair that he went kind of crazy, and he was killed by the police.

Then we have the situation that our fishermen face as well. It's really dramatic how the oil companies, their ships have dumped their oil in the ocean and have contaminated the fish, the birds, the fauna and everything on which the fishermen depend to make a living. All of the fishermen are today without work. This is not known in the world. This is not known anywhere. Today, all reality, all communication of the reality of Chile has been blocked out, and you today have given us an important space and a significant opportunity to talk about this.

We asked President Bachelet, how is it possible that we have 157,000 state-sector workers who are about to go into retirement without adequate pensions? These are university professors, workers, engineers, lawyers, upper class, middle class, lower class, from all layers, who work for the public sector, and they deserve a more dignified solution, not with 30% of their income, because they have worked and contributed for 40 years to the old system, and then they were forcibly switched over under a de facto government into the privatized system which didn't recognize the *real value* of all of their earlier contributions, and which continued to deduct minimal contributions calculated on a base salary.

Today, [under the old system] we would have been able to hire young educated people, who are now unemployed but hoping for a job. But older people who still work in the state sector don't want to leave, and with good reason. Because they'll be 70 years old, like a good architect friend of mine, María Teresa, who I always use as an example. She worked for 11 years more than the cutoff retirement age of 60, and yet she retired with only 40% of her salary, after having contributed until she was 70 years old. So, I think we have to let our reality be known internationally, and our politicians have to put their hands on their hearts and say, "Okay, it's okay for the rich to make good money, but we also must show solidarity with our people."

We need a refounding of the social security system in Chile, which will allow our national companies to receive money from workers in order to grow, so that our natural resources are not stolen through international trade. Why should we have to buy furniture purchased abroad from Japan and Asian countries with wood coming from our forest? We can have a large national fishing industry of our own, where we can produce canned goods and export them.

We need to be able to produce our own goods internally, to provide dignified work with a decent salary for our people....

**Moncayo:** Excuse me, Yasmir, I would like to interrupt you briefly, and then continue with what you're saying about Chile during the discussion period.



We have on the phone line, the Secretary General of the CGT of Argentina, Mr. Hugo Moyano. The CGT is the most important labor institution in Argentina, of this ally country, and they have carried out a very important campaign and series of activities to reverse the privatization in social security and other areas. So I would like to ask Mr. Hugo Moyano to speak to us, to greet us and to also make brief remarks on what Mr. LaRouche and Mr. Agustín Rodríguez have been saying, and also Yasmir Fariña. So please proceed, Mr. Moyano.

---

## Hugo Moyano: Labor's Success in Argentina

---

Thank you very much. I'm the Secretary General of the CGT of Argentina, and as you just correctly said, we had a campaign which began when social security was privatized. I've been involved in this for many years, because I'm a trucker, a teamster in Argentina, and from the beginning of the situation that was created with the privatization of social security, we rejected this. Because time showed us that workers were being harmed in a really significant way by this. And this meant not only the worker who is going to retire tomorrow, but the guy who is retired now, because the savings funds which allowed a certain level of pension to be available to retired workers, would be looted.

So, what we have achieved now, after many years of struggle, is we have gotten the government to see that this privatized system which has existed in the country for many years, was totally damaging to the workers. And this led to the modification of the law, which is what we were demanding. We didn't say that there shouldn't be private pension funds. We said that workers should actually have the option of deciding where their savings should be held: if they wanted the state to keep it, or if they wanted it to go into a private fund. That's all that we were asking for. And, fortunately, thank God, this has become a reality, and since then some 600-700,000 workers have, on a voluntary basis, moved back into the state pension system. So now there is a policy where this has been clarified for workers, so workers can see what real benefits they get, either from private pension funds or public pension funds.

So we've achieved a very important objective, and I think that we've managed to salvage the dignity of workers. I don't know whether what's happened in other parts of the world is the same as what was happening here in Argentina.

Here, in Argentina, we used to say, almost as a joke, that people could get divorced if they wanted to, but they couldn't change from a private pension fund to another one. So we said, at least let them have a choice. Don't force them, as unfortunately occurred under this perverse system of privatized social security that existed previously. So that they have a choice, they have an option. They can go to the private sector,

or the public one. They have a free choice. And that's what we have achieved.

And, I reiterate, this has made it possible for what I think is now a million workers to return to the state-run pension system for their retirement funds. . . .

I would like to add that, first, I agree with the remarks of the speaker who referred to Margaret Thatcher and Pinochet: I agree totally with what he said.

And I want to point out that the struggle which we waged for so long, was fundamentally against a destructive power, that of the reigning economic power, the evil economic models that were imposed on us in the decade of the '90s, whose fundamental weapon was the media.

It was hard to come out and contradict what the media was saying, through their spokesmen, who in many cases were journalists or government officials. It was very hard to think anything contrary, because you came off like an extra-terrestrial being. Because it was a whole wave and destructive tendency which neoliberalism was imposing on us, as I said, fundamentally with the lethal weapon of the way the media were used. That's why we had this fight. It was very hard, in many ways it was lonely, and it was against a very powerful enemy.

That's why what we have achieved is truly a very important step. And we say that we only wanted to be given the free choice. We didn't want to be forced, or for workers to be forced, to go to privatized funds. We wanted a free choice; let the worker decide. And that, thank God, we achieved.

But it doesn't end there, because in our country, even though there has been a very, very important change from the economic standpoint, the social standpoint, the political standpoint, there are still after-effects of neoliberalism, which in our country was really very strong. So much so that they practically sold off or handed over all of the state sector companies, which were the patrimony of the people, which the people had obtained through many generations of effort and sacrifice.

**Moncayo:** Thank you very much for your comments. We would like very much to ask you to stay on if you could for the second part of our discussion. Mr. LaRouche is going to have to leave. He will perhaps have some closing remarks to make, and then I would ask Mr. Agustín Rodríguez to also have some closing words.

---

## Conclusion: No More Concessions to Evil!

---

**LaRouche:** The evil that we've been discussing today, so far, is an evil with which I'm quite familiar from a long period of struggle, especially since the developments and changes of 1971, where the United States went in the direction of Lon-



Press Archives/Government of Mendoza

Secretary General of Argentina's General Labor Confederation (CGT) Hugo Moyano (right) with Argentine President Néstor Kirchner. "After many years of struggle," Moyano said, "we have gotten the government to see that this privatized system which has existed in the country for many years was totally damaging to the workers."

don-directed fascism. And what I've heard today, on discussions of this and that, all are reflections of things I saw coming and happening 30 and 40 years ago. And the interesting thing is, now today we've discussed them, but as those of you who have spoken really know, you've been living through this kind of process for decades! You had a case, like the case of Pinochet: The *degradation* that Pinochet represented is not understood! Here's a man who was practically a prostitute for London! And he's featured as some kind of a military hero! Some kind of a figure for respect! Begging for favors and petty stealing through the Riggs Bank, which is essentially a part of what we're getting now with this BAE operation. He's essentially a lickspittle of the British Empire.

And you see this all over the place.

We have to have a sense of this. It's important to have it, because people have to realize, that what they have allowed to be done, what they have praised, what they have voted for in the United States and in other countries, this was evil. We had descriptions today of suffering of people in Mexico, in Chile, in Argentina, so far. But this has been going on, it's becoming worse. It was obvious to us at the beginning of this process in 1982, when the real wave of crushing of South America began. It was all there. It was there from 1971. It was clear! But people now are looking at something which has been going on for more than a generation—for most people, it's up to almost two generations of suffering of their adult life experience, and now we're looking at it.

This is not just an issue of making some improvements. This is an issue of saying, this kind of behavior—which we have addressed in part in a few remarks here and there today—

*is typical of the world situation*, but especially of the relations within the Americas. And we have put up with this! We have protested, but we have not treated this as what it is, as an *evil!* It's time for that sense of urgency, that we must make a fundamental change in the world system now. We can not make concessions to evil forever, because too many people will suffer if we don't change the system. The time has come where the system is coming down, and this is the time for us to put in our word for the changes which have been waiting too long to be brought on.

**Moncayo:** Thank you, Mr. LaRouche. We're really enthusiastic about the ideas you've presented, which we will carry on in the discussion which follows after you have to leave. Before asking Mr. Agustín Rodríguez to close this session, let me advise everyone that, in the coming hour, there will be presentations from various other gatherings. In Argentina, from the

APOPS (Union of Social Security Workers) who are meeting in an auditorium of the CGT, and we will hear from the Assistant Secretary General, Salvador Fernández, who will join us shortly. And in Lima, we will hear from the Dean of the Association of Professors of Peru, Carlos Gallardo, who is also following this webcast closely.

I would like to ask Mr. Agustín Rodríguez for closing remarks.

**Rodríguez:** Thank you very much: Only to thank Mr. LaRouche, and recognize his great willingness to have this kind of exchange of views, which in the final analysis, constructs a pathway to transform this economic model, which we have been enduring and suffering for so many long years.

It's important that the subject of social security be dealt with in more detail ahead, because the discussion and the fight is not going to end soon, and that we address this in terms of the experiences which people are going through in Chile, in Argentina, and elsewhere. And to look at the positive side of how we can construct an alternative proposal.

Here in Mexico, the model which is being imposed through the new ISSSTE law, has a very peculiar characteristic: It's being imposed upon workers, they are required to accept it. The aspect which the brother from the CGT of Argentina was referring to, where it was made optional or voluntary, is not happening here. Here it's required and enforced. That's the scheme under the current law, and that's what has forced us to create a great political movement.

So, Mr. LaRouche, we want to thank you very much. We will be in communication for further exchanges ahead.