

## Editorial

### *Operation Juárez—the time has come*

It is now nearly two years since *EIR* first published Lyndon LaRouche's *Operation Juárez*, at the close of the Malvinas War crisis in mid-1982, and circulated it to leading circles throughout Ibero-America. A passage from that document evokes the breaking situation described in our cover story:

"During 1266-1268 A.D., the evil forces behind the Inquisition, the Venetian oligarchical families, defeated the forces of the Staufer in Italy, and forced the abdication of Friedrich II's cousin, Castile's Alfonso el Sabio. A flood of usury and pseudo-Christian cults was unleashed upon Western Europe by the Inquisition's victory. Lombard usurers, typified by the evil banking-houses of the Bardi and Peruzzi, piled monstrously refinanced debts upon the monarchs and lesser feudatories of Christendom.

"To pay their debts to the Lombard usurers, the feudal debtors slashed the holidays of their serfs, forcing a reduced number of serfs to till an increased per-capita acreage. Labor on the feudal lord's portion was increased, looting of the peasantry became increasingly ingenious, increasingly wicked, increasingly savage. IMF and World Bank 'conditionalities' prevailed.

"To pay their debts to the Lombard usurers, desperate feudal lords looted their feudal neighbors, financing these wars by borrowing, at usurious rates from the Lombards.

"Intensification of labor on estates led to neglect of improvements of land. Periodic famines erupted, and accumulations of wealth in forms of inventories, of improvements of land, and of livestock, were depleted. The per-hectare productivity fell. Famines increased, nurturing epidemics.

"Large portions of the population were driven into vagabondage and banditry. The cathedral towns shrank into ghost-towns. During the hundred years following the defeat of the Staufer, half of the parishes of Christendom vanished, and half the level of the population. England's and other debt-ridden potentates sovereignly repudiated their debts; the Bardi and Peruzzi were wiped out. The debt-repudiation came too late; the Black Death

was already being borne upon the ruined, depleted populations by the rat, from the depredations of the Mongol holocaust to the East.

"Europe sank into what has been frequently described as a 'New Dark Age,' from which only the 15th-century Golden Renaissance saved European civilization.

"Today, as during the 14th century, the collective bankruptcy of the debtors becomes the extinction of the creditors. We must put this hard-gained lesson from history to present use.

"Unless the bankers of the United States of America are collectively insane or babbling imbeciles, they will joyously embrace a proper proposal for collective financial reorganization of the Ibero-American debt. However, they will probably resist such a proposal to the teeth unless it is made by collective action of several prominent nations of Ibero-America in concert."

Concretely, LaRouche proposed a moratorium on existing foreign debts of Ibero-American republics, to be replaced by a portfolio of bonds from each debtor-nation equivalent in total value to the accrued value of the previous debt-contracts. The portfolio would have these notable features:

"1) The interest rates on the bonds will be nominal, approximately 2% per annum.

"2) The final date of payment of principal on the total indebtedness will be significantly later than the schedule indicated by the canceled contracts.

"3) In some cases, there will be a period of grace, before payments mature—a deferred-payment provision.

"4) Maturities of debt payment will be determined by maturity dates of each of a series of bonds issued."

Such action is now not only the only way out for Ibero-America, but the only desirable policy option for the United States and its Western allies. It alone is coherent with the "technological optimism" reiterated by President Reagan on the eve of the London summit. No effort is too great to impose Operation Juárez—and there is not a moment to lose!