

EIR Feature

LaRouche interview: What is real political leadership?

We are pleased to present lengthy excerpts from a June 15 interview with Lyndon LaRouche conducted with Dominican Republic television journalist Dr. Julio Hazim, which was provided courtesy of Compañía Nacional de Televisión. Dr. Hazim's interview aired several times in the Dominican Republic in mid-July. Over the nearly two hours of their dialogue, Dr. Hazim and Mr. LaRouche discussed a wide range of Mr. LaRouche's ideas. We have tried to select those portions of the interview, in which Mr. LaRouche's strength as an American statesman toward other nations shows best, in the dialogue format that our readers rarely have access to.

The interview was videotaped at the Rochester Federal Medical Center, in Rochester, Minnesota, where LaRouche is being held as a political prisoner. In concluding his interview, Dr. Hazim expressed his thanks to the Rochester authorities, "because they have cooperated with us in every segment of this program. From the moment we traveled from the Dominican Republic to the small city of Rochester, Minnesota, they have given us every facility, every cooperation."

Dr. Hazim: Mr. LaRouche, why are you currently in this prison? How much of this is because of your political convictions, how much of this is because of the truth of the accusations against you?

LaRouche: According to the Justice Department and related official records which have been released to my legal people, to me personally, the action against me was begun by former U.S. Secretary of State Henry A. Kissinger, who had been a personal adversary of mine long prior to that point, in 1982. In January of 1983, a group of people who were members of the President's Foreign Intelligence Advisory Board directed that an action be taken against me, implicitly under the mandate of Executive Order 12333. That's the Executive Order that covers secret activities of government against countries, individuals, and so forth.



In June 1984, presidential candidate Lyndon LaRouche traveled to Argentina to discuss his policies with that country's influentials, including the new President Raúl Alfonsín, and leading members of the Peronist trade union movement, shown here. With him, acting as translator, is Dennis Small. LaRouche and Small were both jailed for their organizing to stop the Kissinger-Bush "new world order."

As a result of that, a large "Get LaRouche" task force, as it's so described in the official records, was set into motion, and the task force had the function, number one, of conducting financial warfare against organizations and persons associated with me politically, and to attempt to rid the scene of me politically. As a result of that, several efforts were made to find a pretext for imprisoning me, and finally they had the cooperation of a federal judge in this action. The charges against me are what are called smoke and mirrors. The essential thing is that the President of the United States wishes me in prison, and that is why I am in prison.

Dr. Hazim: Does the United States justice system offer any hope for a man in his late sixties who has been condemned to 15 years in jail, to leave this prison earlier, or will you have to serve the entire sentence?

LaRouche: I can answer that question in two parts. First of all, the United States, unfortunately, in this matter, is less civilized than some other countries. For example, Italy or Sweden or other countries in Europe, take a humanitarian and practical view of this matter. There are provisions, as I understand it, of the federal Bureau of Prisons—procedures and so forth, which deal with these kinds of matters.

Secondly, however, whether I remain in prison or not, is essentially at the pleasure of the President or the presidency. The legal grounds for removing me from prison, by removing the sentence, removing the conviction, exist. It could happen within a matter of time. It could happen, as we say, under

sua sponte by a federal judge; the evidence exists. Whether that evidence and that procedure will be acted upon, will be up to the political pressures acting upon the presidency.

I am here because the President wishes me here. For no other reason. If the President were to change, then the law would be allowed to release me from prison and I probably would be.

Dr. Hazim: Mr. LaRouche, many things are said about you. Some people say that you're a madman, but this is not a mental hospital, this is a prison. Some people say that you're here because you tried to subvert the established order, go against the established authorities. Some people say that you're here because you evaded taxes. We also have heard another thing said, which is that you, at one time, even collaborated with the Reagan administration, at the beginning of the Reagan administration, and that you were part of his governing team. What is true about all of these different things that are said about you?

LaRouche: . . . Essentially, what was set up against me was a task force. The task force included, according to evidence—and I refer only to evidence that's on the sworn legal record—the task force included NBC-TV News. The task force included the Anti-Defamation League of B'nai B'rith. . . .

The essential issue is, yes, the second one is the case. I did challenge the establishment effectively. For example, [the 1982 book] *Operation Juárez* is typical of what I did. To sum it up, the issue here is that, and I agree with Friedrich

People are trying to find a rational explanation for the behavior of the government of the United States. That is the mistake. If you say, "What is the irrational motivation?" then it's not very difficult at all to understand.

Schiller on this point—I think history, in my case, bears it out—that there are two tendencies in European civilization over two and a half millennia. One is typified by Solon of Athens, who banned the usurers from Athens and established a constitutional republic. The opposite view of that time was Lycurgus's Sparta, which was divided into an aristocracy, nobility, and slaves, helots.

Henry Kissinger and others who are my enemies, are my enemies because they represent this Spartan tradition. I represent the republican tradition, that is, the tradition which believes that the individual has rights. . . .

An example of the policy issue which was the motive, the actual motive, of Kissinger and others for putting me in prison, is Kissinger's policy and the policy of his faction as identified by two documents from the 1974-76 period while he was secretary of state, and while he and Brent Scowcroft were national security advisers to Presidents Nixon and then Ford. The first memorandum is National Security Study Memorandum 200, signed by Henry Kissinger. The second memorandum, which is based on the first, is National Security Decision Directive 314, signed by Brent Scowcroft in 1975. These memoranda said that developing nations are a danger to the United States because as their populations grow, they will demand technological progress and will become powers which challenge the United States, with the power to deal with their natural resources, and so forth.

I opposed that; I was on the opposite side. I agreed with [President Houari] Boumediene of Algeria in 1967. I agreed with Pope Paul VI in *Populorum Progressio*, that the developing nations have a right to technological progress, and it was in the interests of the United States, in fact, that these nations have these rights. So, there were two factions: Bush, Kissinger, others, the New York bankers, belong to one faction; I belong to another one.

I became, in the course of the late 1970s and 1980s, influential in the world, through my collaboration with certain agencies of government, including the first Reagan administration. The people in New York viewed me as a power. Kissinger viewed me as a powerful person and said, "He must be destroyed." . . .

Dr. Hazim: How many years do you think this imprisonment of yours will delay the process that you had launched as a presidential candidate, as a political activist? How many years do you think this has set it back?

LaRouche: It's impossible for me to estimate. I'm not a movement to make myself President of the United States. I campaigned for President of the United States. . . . In 1984-88, I campaigned because I was the only one, to my knowledge, qualified to be President under the conditions which the United States and the world was facing, special conditions, and that's the only reason I ran. And I ran not necessarily to win. I ran because somebody had to stand up and tell the truth.

Dr. Hazim: Mr. LaRouche, we have a situation that is unique in the world. We find ourselves before the new order. We have never had a situation where all the power, so much power, was concentrated in the hands of a single man, as we have in the present case of the President of the United States. In the Dominican Republic, we call that new order in economics, "neo-liberalism." Is there another option, another way we can go, outside of that new order?

LaRouche: Absolutely, and we must. Go back to what used to be the principles upon which Christian civilization was based, which, among other things, prohibited the practice of usury and demanded the right of every family to exist—at least, the opportunity to exist—because the production of the nation, the production of the individual, is a function of the family. And the family that cannot exist because of poverty, because of lack of opportunity, because of lack of education, misery, so forth, disease, then the person cannot exist or the person is crippled, lives a crippled existence; and the nation cannot exist.

When man is reduced to desperation, also, he tends to become a beast. When a nation's policy, such as the practice of usury such as we have today, reduces a nation to desperation, the nation may be destroyed by that desperation. We have always recognized the moral responsibility of the state to provide the conditions of life.

The one thing that is not understood is this, which I have laid special emphasis upon. Yes, individual enterprise is correct, but, the state must take responsibility for basic economic infrastructure, because basic economic infrastructure—which is water management, transportation, power generation-distribution, public education, public health and hygiene—these are matters which cannot be divided into private entrepreneurs. These are matters of the nation as a whole.

But the reason we must, as much as possible, in agricul-

ture, in industry, have private entrepreneurship, is that the ability of man to progress is based on the expression of, the development of the individual mind, which is sovereign, which cannot be divided. It's an individual. That mind gives us, for example, scientific and technological progress. The existence of man depends upon this progress.

Therefore, when we say to an individual, "Start a business, succeed," we are hoping to use his mind and the mind of his collaborators in that business to make an improvement in that production, to create employment, useful employment, for the good of the society. Therefore we need a form of society which meets those two requirements: no usury; commitment to social justice for the people as a whole; commitment of the state to foster the development of basic economic infrastructure and fostering, primarily through education, the development of entrepreneurs in successful farmers, particularly family farms, successful small businesses which may grow to larger businesses because they are good—they improve themselves.

Dr. Hazim: Mr. LaRouche, your followers—you don't call them that, you call them your collaborators—say that the people who are currently ruling the United States, are a bunch of nuts, that they are going to destroy this country. However, those neo-liberals who are in power say, no, that they are going to make the United States great: that what has happened is that for years this country has lent money and it has not been paid back; it has given food assistance to underdeveloped nations, they have not taken care of it; that they have simply wasted all assistance that they've been given; and what is being done now, is simply to impose some order, and this order which is imposed upon these Third World nations, which have been going every which way, will turn the United States into a great nation, again. . . . Why is it that you disagree with that approach?

LaRouche: First of all, the so-called success of the U.S. economy under what you call the neo-liberals is the greatest lie on this planet, today. We have over 30 million people who are in desperate poverty in the United States. That's about 12-15% of the population. We have 30% of the population, at least, living in misery. We are losing most of our farms. We do not have a food surplus. We sometimes have a grain surplus, because we have stopped growing cattle, and stopped feeding cattle. . . .

Our bridges? Forty percent of our bridges in the United States are collapsing. Our railroad system is almost nonexistent. Our highway system is collapsing. Our manufacturing is collapsing. As a matter of fact, in the chain of production, the United States could not sustain itself, and has sustained itself for about 8-10 years only by looting, especially Central and South America.

From my calculations—which we've gone over again and again, which we've compared with what we see physically in Mexico, in Colombia, in Venezuela, in Brazil, in Argen-

tina, in Peru, and so forth—what we see, is that the United States has been looting Central and South America by hundreds of billions of dollars a year, largely through the aid of International Monetary Fund conditionalities.

If the IMF comes in and says—as they did to Mexico in 1982-83—drop your currency, drop the peso, [there are] many problems, terrible problems. The peso was about 26 pesos to the dollar for many years. The country, in 1982, was a very good country—with problems—but a good country. Look at it today: It's ruined. Why is it ruined? Because the United States said, "Pay your debts" . . .

Dr. Hazim: Now, I know you have written about this extensively over the years, and I really would like your assistance with the question I'm posing now; What is it that the people who rule the United States today want? What is it that they're seeking in the long term? What is their aim?

LaRouche: One has the impression that people are trying to find a rational explanation for the behavior of the government of the United States. That is the mistake, to seek a rational explanation. If you say, "What is the irrational motivation?" then you can see, ah, it's not very difficult at all to understand. You have a President who's run by some funny woman in England who flies between London and Washington on her broomstick—Margaret Thatcher. She comes to George Bush. George Bush says, "I'm not going to go into a war in the Middle East." She says, "George, you're going to go to war." He says, "Yes, I'm going to go to war."

What we're dealing with is ideologues who have utopian ideas, who believe that they must make these utopian ideas come true. They don't care about reality. They say, if we have enough power, we can make anything happen that we wish. We wish to have a one-world order which the Anglo-Americans rule. We wish to have the population reduced. We wish to turn Central and South America and Africa and most of Asia into helots, slaves. We like that. We like it! . . .

Dr. Hazim: So, it isn't true then, that this Enterprise for the Americas is an integration of Latin America and the United States, free trade, a North American common market, integration in the sense you understand it?

LaRouche: Let me put it in this ironic fashion. I eat a meal. I have a salad before the meal. I have a meat course. If I'm Italian, I have a pasta course before that. I have an after course, a meat course, then I have maybe one or two different desserts. I have integrated all of these elements into my stomach. That is the kind of integration of which these gentlemen speak.

Dr. Hazim: Regarding the three blocs that seem to be developing in the world: You have one with the Soviet Union, one with European integration; the Japanese and the economies of South Asia; and the United States with Mexico and eventually the rest of Latin America. What does this mean? What

is convenient to the United States' interests? What is not convenient to the United States' interests? How do they see it? How do you see it?

LaRouche: Well, if George Bush succeeds, for example, in what he says he wishes—he calls that U.S. interests—that will be a disaster for the United States. That is *not* the interests of the United States. We are facing the worst financial and economic disaster in this century, right now, in the United States and elsewhere. What we're looking at is the danger of chaos.

Take the case of the Soviet Union. Everyone says that the Soviet Union is a junior partner of London and New York. Not quite true. The Soviet Union still has an integral military capability; and although the Soviets have been frightening people in the West with talk about the danger of chaos, a nuclear power in chaos, that's not an entirely artificial situation. That's not an empty threat.

The United States and Britain are among the worst economies in all of the industrialized sector. They're on the edge of collapse. . . . We're in the danger of a global collapse, and what is happening with the danger in this period, is not who is going to win. The danger is when we all go down to a common catastrophe for lack of a rational approach to global politics. We can solve problems with a global approach, the right global approach. This approach of bloc fights leads to chaos, and when the United States and Britain collapse, as they will, the Soviets will stabilize one way or the other, perhaps as a dictatorship, and then we're back in danger again, of that type.

Dr. Hazim: Mr. LaRouche, in your writings, you have pointed out several times that United States society, the way it is run right now cannot be a lasting one, and that it has been deteriorating for a very long time. How long do you give it before it collapses?

LaRouche: That's hard to say. We're at the collapse now, physically, as an economy. We're in a relatively worse condition than we were in the early part of the Depression of the 1930s. We have been collapsing for about 25 years.

Go back to, say, the Kennedy years: Whatever criticisms you make of Kennedy, his economic program was relatively successful and was the only successful policy program which the United States has had in the entire postwar period. The United States came out of the war a great power. We grew a little bit, but we didn't have a sound policy. Kennedy had the space program, a correct policy. That gave us technology. He had a policy of infrastructure acceleration that gave us growth and gave us strength and gave us employment. He had a policy of the investment tax credit to give special tax preference to investments in agriculture and industry and infrastructure which benefited the economy. Then we had a great rate of growth from 1962 to 1966. Then, it's gone: For 25 years it's been downhill.

Dr. Hazim: If you were President, or you were the chief

policy adviser for a President, how and what would you propose be done, or what would you do to ensure that the government were a good government . . . a great nation, but not a great nation at the expense of other nations, but in collaboration with other nations, in all areas?

LaRouche: The secret of government is in large degree divided into two areas. One is policy and the other is personality. There's a tendency, for the sake of the misuse of the term democracy, to undervalue the importance of leading personalities.

For example, they say, "Ah, de Gaulle! *Grandeur!*" Perón, the same thing, no? The President of your own country has a certain distinction. The key of leadership is, on the one hand, comprehension. A true national leader in a crisis such as this one, whether it's the President or he's behind the scenes as adviser to Presidents, is as a courageous personality.

For example, here is an anecdote which I think is worth telling. A few years before he died, I met [in 1975-76] with Jacques Rueff of France, who had been the man who reorganized the French franc to create the heavy franc under de Gaulle. . . . We were discussing the prospects for reorganization of the world monetary system, then. And I said, "Well you went through this before, with de Gaulle"; I was referring to the heavy franc, the reorganization of the monetary system. He said, "Yes. Here's how it happened: I presented my plan to de Gaulle. Other people said it was crazy. De Gaulle turned to me and said, 'What do you say?' " Rueff said, "I stake my life's reputation on the success of the plan." That's what Rueff said to de Gaulle. De Gaulle said, "Therefore, I do it."

The essence of leadership is the combination of workable ideas—not necessarily perfect ideas, there's no man who can have perfect ideas, but valid ideas—and personal action. For example, if people in Mexico, Brazil, Peru, Colombia, Venezuela, Argentina, Nigeria, South Africa, Algeria, Egypt, and certain European countries, Japan, Southeast Asia know that I am a power in the United States government, the relationship of the United States with those nations will change, because I think to these people my policies are clear. They know exactly where I stand. If I am there, they say, "ah," as they did when I was advising Reagan on what became known as the SDI. We had cooperation because they trusted me as a personality, to represent and defend and take a courageous leading position in committing myself to these ideas.

Dr. Hazim: You have written often in the past about monetary policy. During the time Nixon got into trouble with the dollar, you spoke about the need for a gold standard. Again, when the stock market collapsed, you touched upon this area. Do you think a gold standard versus a dollar standard is the way to go about these things?

LaRouche: I think neither is correct. What you need is two

things. First of all, we have a national banking system which is, in fact, bankrupt, and must be reorganized. Therefore, the institutional integrity of existing banking and monetary institutions is not sacred. We must bankrupt them, and when I say bankrupt, I use as a model of reference what we have in the United States called Chapter 11 bankruptcy, which is a voluntary reorganization of an entity, where you reorganize its debts, its structure and so forth, with the purpose of keeping the entity alive.

The world will need an international monetary facility, but we must bankrupt the IMF, the World Bank, and we must put most of the U.S. banking system through bankruptcy. It's bankrupt and the taxpayer cannot simply pay for this forever in the United States. We must bankrupt it and reorganize it, which means we must write off a lot of the debt, which on examination is not legitimate debt; it was created artificially as usurious debt.

We must create a system which is then based upon what [first U.S. Treasury Secretary Alexander] Hamilton defined as national banking. That is, the government of each nation must create its own credit, pretty much under the same mechanism used by the United States under George Washington which is provided under Article I of our Constitution. The President of the country sends to the Congress a bill saying, for example, the United States wishes to issue so much currency. The Congress approves it. The treasurer of the United States can then print that currency, because he has not loaned directly: It is put into a national bank. The national bank then loans that money to local banks. The local banks loan the money, at low interest, to approved categories of priorities of national investment—industry, agriculture, export, and so forth.

Every country must do that. We must then ensure that all of these countries can have a low interest rate investment and trade across their borders. To do that, we must have a standard, a gold reserve standard—not a gold standard, but a gold reserve standard. This means that we agree to price gold at so many dollars, so many pesos and so forth, a fixed standard which we may adjust, but we don't allow chaotic movements, free market movements. Then we can keep low interest rates. If I were President of the United States, and could guarantee, together with Presidents of other countries, a 1% basic interest rate in international lending for purposes of investments in capital goods and trade, I can have an explosion in international trade and prosperity, even today, under today's conditions. If countries have the same policy, it'll work.

So what we need is a national banking system, cooperation among national banking systems of governments, and a gold reserve system where we agree to settle our differences among each other, among nations, in gold.

Dr. Hazim: However, one thing that is said, is that the American banks need to continue with the present policy,

because they must collect the money that is owed to them by Argentina, by Poland, by Brazil. Otherwise they're going to go down the drain, and that's going to destroy the economy; therefore they must proceed with this policy in order to survive, to keep the system alive.

LaRouche: At the present interest rates, that can never happen. At the present interest rates, the present financial structures, the debts cannot be paid.

What we have is a situation in which to collect the debt, or to attempt to collect the debt, Mexico is going to be put through an Auschwitz program.

For example, if I pay Mexican labor in *maquiladoras* at 50¢ an hour, if they have to pay virtually U.S. prices for food, which is what they do in these *maquiladoras*, they cannot even support themselves; therefore they can't support a family. You have people who are working at 57¢ an hour, who are receiving charity in the form of . . . a pound of tortillas, and so forth, a week from charitable organizations. They have no sanitation.

What happens? Remember, this is like Auschwitz—that's no exaggeration. In Auschwitz, the SS took the able-bodied people, they rented them to a private corporation such as IG Farben. IG Farben fed them 1,000-1,100 calories a day food. They did 3,000 calories a day work. In three months, they came back a corpse. In the *maquiladoras*, the conditions are not yet that bad, but maybe they have two years of labor, maybe a year of labor before they are in a similar condition. You are going to recycle the worn workers out, and process new people in.

The purpose of these *maquiladoras* is one thing: to extract payment for debt to U.S. banks. That's the only purpose. What are you going to do? Reprocess the entire population of Mexico? Are you going to do the same thing as proposed now with Chile? Are you going to do the same thing with Peru? With Brazil? With Argentina? How many hundreds of millions of people are we going to kill?

I've examined the debt. I examined it extensively in 1980-82. I've examined it since. My friends have examined it in the same way, recently. Most of this debt is not legitimate debt: That is, the countries receive nothing for the increase in the debt. It is simply, they rewrote the debt, wrote it up. If you calculate what the countries received from the United States banks since 1982 and what they have paid, they owe nothing, or virtually nothing.

It is true: The United States banks, if they don't receive this debt, will go bankrupt, but they are already bankrupt—not really because of this, but because of domestic lending as well.

Dr. Hazim: Mr. LaRouche, some people in the Dominican Republic have commented on your [1982] visit to Mexico where you met with advisers to President López Portillo, and a few months later President López Portillo nationalized the banks; and also a similar visit you made [in June 1984] to

The interest of my nation, is that the United States must become again a technology-exporting nation. To be an exporting nation, you must have customers. Our immediate customers are to the south of our borders. Therefore, the debt must be reorganized on an equitable basis.

Argentina where you met with President Raúl Alfonsín and discussed the economic situation.

They say that those things may have contributed to your finding yourself . . . in jail. And they further say that perhaps it is not a bad idea that Mexico is no longer governed by López Portillo but by President Salinas de Gortari, and that this integration between the two countries, despite the problems, in the long run would mean prosperity for Mexico and for the United States.

LaRouche: I would say, first of all, of course it was, that we were working with President López Portillo before I met with him personally in 1982. When he acted as he did, he acted correctly. I can say something, now, I think, that has not been said publicly so much before: President López Portillo acted [to nationalize Mexico's banks], because he had an agreement from the President of Brazil and from the head of the junta of Argentina. We had, in the United States and in Europe at the same time, and in the Non-Aligned nations group, international support, factional support, for what I had proposed in *Operation Juárez*. This policy was on the desk of the Reagan White House and was discussed thoroughly with a faction of the U.S. government. We had a factional division in Washington on this issue. If the President of Brazil and the head of the junta in Argentina had not deserted López Portillo, we would not have the mess we're in today.

When people discuss what happened between the middle of August 1982 and the end of October, people around the world, including bankers, to this day, tremble. And that is absolutely true; the reason I'm in prison is because we came *that close* in 1982.

What I can say is that I'm convinced it was the right thing to do. I'm convinced by the events that have happened since, that it was the last hope for sanity for the United States, as well as these countries, at that time. There is no possibility that the program which the United States has imposed upon Mexico will succeed for Mexico. There's no possibility. People who think so are not thinking carefully.

I may say, I understand the situation for these countries, because I was there in 1982. President López Portillo was a very courageous, very patriotic President, who was trying to leave a heritage of security for his own country. He was a very intelligent President. I was very impressed with him, as I was with Luis Echeverría before him. But I think people in the Dominican Republic, which is a small republic of the

hemisphere, recognize that what is necessary and what is possible will not always coincide. Sometimes you do not have the forces needed to do what is right, so maybe you have to make a compromise, because that's all you can do. Mexico was put in that position. But the idea that there's any possibility that today's program in Mexico could succeed—no, there's none whatsoever.

Dr. Hazim: Should the countries pay the debt or should they not pay the debt? . . . What would you recommend that would be good for those countries, the poor countries, that would not go against the interests of your own country. . . ?

LaRouche: Well, the interest of my nation, the United States, in my view, is that the United States must become again a technology-exporting nation.

To be an exporting nation, you must have customers. Our immediate customers are to the south of our borders, and in places such as Africa, but especially the south, below our borders. For those customers to be customers, they must be able to buy. They must have opportunities for investment in their own countries. Therefore, we must say: This debt must be reorganized on an equitable basis with a schedule of whatever payments are to be made, on an equitable basis, a basis which will ensure the ability of these countries to develop. If they develop and increase in prosperity, they will buy more from the United States, and that is in the interests of the United States. I just have a different perception of the interests of the United States than some of these fellows do. . . .

Dr. Hazim: Mr. LaRouche, I want to spend a segment talking about my country, the Dominican Republic. Four years ago, we signed a bridge agreement with the International Monetary Fund. However, our current President, President Balaguer, has refused to sign, for the past few years, with the IMF. Unfortunately, next month, July, he will be signing a deal with the IMF. I would like for you to comment on this situation, because we're concerned about what we are going to get from it. . . .

During the past five years he has refused to sign with the IMF, our President has been issuing what we call in the Dominican Republic "inorganic money," that is to say, currency without backing. This money is specifically for the purpose of investment in building highways, in building housing for the middle class and the poor, in building water

projects, and so forth. Some people complain that this is worthless money. Is that your opinion, or do you think that it's better to do it this way than to spend the money, say, in paying the banks?

LaRouche: President Balaguer's critics do not know the history of the United States, that the American System began in the seventeenth century in Massachusetts, when the Massachusetts Colony issued exactly such kinds of money in order to cause the prosperity of the colony, which continued until the British shut it down in 1689, with Governor Andros. After that, Cotton Mather campaigned for the restoration of money.

And the critics of the President should read a famous paper by Benjamin Franklin called "On the Subject of a Paper Money," paper currency. Then, if you look at Article I of the U.S. Constitution and read the writings, particularly, of Treasury Secretary Alexander Hamilton, when he was George Washington's treasury secretary, you'll find that exactly the prosperity of the United States was based upon this kind of use of so-called paper currency. . . .

Dr. Hazim: One of the policies that they have imposed on us is a policy of establishing prices that represent what is the true price. They have eliminated subsidies. They have forced us to give up subsidies on flour, subsidies on gasoline, subsidies on foodstuffs. Do you agree with this kind of a policy, where things have to be at the true price which is, you know, high?

LaRouche: It's not a true price. . . .

Let me just step back and say one thing: First of all, in the IMF or other agencies, you're dealing with very young people, bureaucrats, who actually may come from Harvard of all places, or some place like that. They don't know anything about economics. They are ideological. They are accountants trained with ideology. They say, "Ah, we say this"; as if by saying it, they make it true. It doesn't make it true. It really indicates two problems for a small country. Here, you're looking at a man across the desk from you. He's an official of such an agency. You know he's an idiot, but he has a tremendous amount of power behind him. So, you have to deal with this problem.

The price of anything, essentially, is determined by the price of reproduction. For example, let's take the case of a farmer. We have a long history of that. In American agriculture, to this day, unless the American farmer gets about 90% of parity, the agriculture system is not going to work. . . . What happened? We didn't have parity prices in the United States; they call it subsidies. Eliminate the subsidy. First down to 82%, then down, we're way down, now. The farmers go bankrupt. We say there's a food surplus, but we have hungry people. No, the price is based on 90% farm parity.

Now, the same thing is true of your country: You can increase the wages to pay a higher price; or you maintain the current level of wages, and you pay a certain amount to even out the grains, or food, or flour. It's perfectly rational; this

is not a subsidy. But you have big powerful companies, which have influence with these agencies, which wish to dump grain on your country and other countries.

Dr. Hazim: There are a number of conditions which we still have to work out with the IMF before the agreement becomes final, and we want your comments on some of these. The first one is: Why do they want us to make monthly payments to the IMF in dollars, with a payment that is larger than they know we are capable of paying? Why this demand?

LaRouche: Well, if you have to pay in dollars, then you turn around and find that your currency is debased after you make the agreement. That's the thing to worry about. That's what happened with Mexico. That's what happened with all these countries that made these agreements. They made the agreement to pay in dollars, then someone comes in and says, "We're devaluing your currency"; or they cause a devaluation. . . . The reason they want to do it, is they wish to loot.

Dr. Hazim: Why are they demanding that we give up our traditional crops, tobacco, cocoa, coffee, sugar cane, and demanding, instead, that we dedicate ourselves to building industrial free zones, free trade zones, promote tourism, and agro-industry for export—stuff that we would not consume in the country, but is strictly for export: fruits, pineapple, for example, which we cannot possibly consume?

LaRouche: This is all over the world. For example, there's a friend of ours, who was, at one time, head of Nippon Steel. He became the founder of the Pacific Basin Cooperation Group, years ago. And every year the Americans come into these meetings, talking about development of the Pacific basin, which is the greatest market in the entire world, the Pacific and Indian Ocean basin. They talk about developing tourism. What good does it do? It's useless. You spend a great deal of money to support a tourism infrastructure. You put a segment of the population in service of the tourism sector; sometimes it means prostitution. It also means, you get tourists and you get AIDS.

Your farmers know how to produce these traditional crops. The world needs them. It's an export market, because they need it. Without an educational program in agriculture to enable farmers to go to different kinds of diversified crops, no change in agriculture is possible, except by causing confusion and chaos and bankruptcy. You've destroyed your country's self-sufficiency. Food and infrastructure are the basis for the self-sufficiency of the country and the possibility of doing other things comes under self-sufficiency.

What are your tourists going to come to see? The poverty? It makes no sense. . . . We had the same thing in Thailand. We had the same thing in Indonesia. We had the same thing in every developing country that faces the same kind of proposals from these same people. . . .

Dr. Hazim: Do you see any use at all for free trade, even

partially? . . .

LaRouche: Use of the word free trade is itself a problem. Adam Smith was, himself, immoral, anti-Christian, and insane. The purpose of his program, as laid down in their own writings, the writings of his employers, was to destroy the economies of North America and France. That's what this policy was designed for. So therefore, if we talk about independent entrepreneurship, if we talk about rational markets, which are perfectly legitimate policies, if we use the word free trade, then these people come in and say, "Ah, you agree with free trade, then you must do this and you must do this." No, I think it's better not to use the word free trade. . . .

We have populations. The populations know almost nothing about economics. They may know little things, practical things, but economics, the economics of a nation, they don't understand anything of it. So, someone comes in and uses words ("Ah, big man"), important words, and they believe these things. They don't understand. It's better to give the population an explanation, to educate them as to what economics is. For example, we can say that the United States has good sides, good parts of its history. The United States fought against the British for its independence. The United States at that time expressed ideas which every patriot of Ibero-American countries has shared since. When the United States was expressing these good ideas—which all sane countries, patriots, have in common—we had an economic policy. We called it the American System of Political-Economy. Well, at the same time, the Americans, who were establishing this policy, were fighting against the British, who were oppressors, who had a policy of free trade. I say: It's good that we prefer the American System to the British system of free trade. Now that the Americans have abandoned the American System for the British system, we see the United States is going bankrupt. Maybe it would be better for us, if the United States were to go back to the American System. That's the way I would answer it.

Dr. Hazim: Yes, it is true what you say, but the United States has a 200-year history, and when people were saying it was going to disappear, that the Russians were going to take over, precisely at that moment, the Russians went down, and the United States remained the biggest power in the world. Is it possible, then, that it may not be as bad off as you believe, that things may be better than you believe?

LaRouche: I think that things are much worse than I presume to say. My best estimate and what I say are two different things. My best estimate is that things are much worse than I'm willing to say.

Dr. Hazim: Mr. LaRouche, you are known as a student of world history, of world affairs: We're interested in the momentous changes now taking place in the Soviet Union, the Soviet bloc, to the extent now that President Bush is asking the Soviet Union to adopt a free trade economy, a free

market economy. Did these momentous changes take place over a long process of evolution; or was this a sudden thing, some kind of agreement that was made between the two superpowers? How did this come about?

LaRouche: It did come about through a long process. . . . I think . . . there were two things crucial in it. One was what we did with the SDI, what became known as the SDI. The Soviets became paranoid, tried to match the United States in that area, and that put pressure on the Soviet economy which accelerated many of their problems. On that basis, I forecast back in '83 that I thought the Soviet economy would collapse in about five years, and it did. This was a simple economic calculation. At the same time, in '82, we had the appearance of a very important, strange fellow called Yuri Andropov, who came to power as the successor to Brezhnev in the Soviet Union. Andropov had a master plan; and he had a chosen heir, and the chosen heir was Gorbachov. These fellows thought they had an agreement with the West, establishing a global power-sharing arrangement where the Soviets, China to a lesser degree, [and] the Anglo-Americans would rule the world as a joint stock company.

Well, reality intervened.

We're dealing, on the one hand, with absolutely irrational ideologues. . . . I've met many Soviet people. Some of them are very intelligent, in certain areas, but when they are talking ideologically, they are impenetrably insane. They believe in their ideology. They don't think. When they think, that's another compartment. The Americans, Anglo-Americans: the same thing. . . . So what you have, is two blocs of insanity, the Anglo-American and the Russian, trying to make an arrangement, and also trying to cheat with each other; and with the Chinese coming up, cheating also, and they're trying to cheat on the Chinese.

In the meantime, reality is moving.

What this reminds me of—I always use this image—we have the famous Aeschylus, the famous Greek tragedian from the time before Plato, who wrote the famous three-part tragedy, of which only one part survived: the Prometheus tragedy. We have the picture of Prometheus attached to the rock as victim of the gods of Olympus. And the gods of Olympus are these men who think they are above God—the gods, the men who are gods, sitting on Olympus. They say, "We have the power. These are nothing but people, and the nations will do as we please." And Prometheus says, "No. There's a power greater than you, you gods of Olympus, and you are defying it; and you will be destroyed for that reason."

What Bush and his friends think must happen, cannot happen. They are like the man standing on a 20-story building who says, "I don't believe in gravity, and I will jump, and I will not die." But they cannot defy gravity in that way. They are defying gravity and the laws of nature in the economy—both the Soviets and the Americans. Now, what we come to, is the Anglo-Americans, totally ideological, with no thought

to the future, just would-be gods, like Roman emperors, who think they're gods, saying, "The Soviets will do this. Why? Because we want it." But it won't work. Nonetheless, they will do it, because they want it.

And the Soviets are saying, "No, we won't do it." The Soviets will not accept the Jeffrey Sachs/Polish model. You have this little fellow from Harvard—35, 36 years old—Jeffrey Sachs, an absolute idiot, who, because of this arrangement, Poland accepted the Jeffrey Sachs proposal. Poland is being destroyed. The Russians have said—having seen this Polish model—"We will never tolerate the Polish model, because we don't wish to be destroyed." But the Russians haven't got sane ideas, either.

The problem here, is you've got two processes, two ideologies. The new ideology of the Gorbachov group, the ideology of the Thatcher-Bush types, trying to collaborate, cheating each other, playing games. In the meantime, there's a reality underneath: the reality of nations, the reality of nature. The United States is bankrupt. The United States is about to go down the way the Soviet economy is going down. The United States is like Italy in the last days of the Western Roman Empire. It does not produce at home. It's rich. Why? Because it loots the colonies. It loots Europe, like we did in the Gulf. The United States picked up \$100 billion to conduct a war in the Gulf.

Dr. Hazim: Well, if the Soviet Union is also facing this problem as you say, and the United States, what country is better off right now?

LaRouche: Well, the center of possibility, right now (Japan is important, but it's exaggerated in importance, because Japan is a small island), we have an area—

Dr. Hazim: But they have a lot of money—

LaRouche: Money doesn't mean much in the days of bankruptcy. Money can be wiped out like that—and money will be wiped out. Tornadoes of money can be destroyed. Money burns, but wealth and money are two different things.

Look at Europe. Look at what we call the Carolingian heartland of Europe, named after Charlemagne, because Charlemagne, when he established the empire . . . developed a system of canals and other works for the plan for the development of Europe. So, Europe became an area which is defined by the canal-building and other works of Charlemagne. This resulted in the following fact. If you go back, A.D. 800, go back . . . 1,200 years, practically, to Charlemagne, and you look at Europe: Europe is Paris, Berlin, Vienna, Paris. That is the heartland of Europe, the Carolingian heartland. It has the highest density of energy, productive energy, the highest density of productivity anywhere on this planet. It is connected down to Italy, down to southern France, down into Spain, connected north into Scandinavia—

Dr. Hazim: Well, then, what you say is that the countries,

the cities inside of that triangle that you're describing, are in better shape than the United States; today?

LaRouche: With about 110 million population, that area has greater productivity than the entire United States. That's an area about the size of Japan.

Dr. Hazim: Why, then, can you not apply those same principles to the United States: Define a section within the United States itself, where you can say, "Okay this area can do the same job"?

LaRouche: We used to have it. We used to call it the industrial heartland of the United States, and it ran from about here down to St. Louis out through Michigan, the Great Lake basin; it went to Philadelphia, which was the center, the origin of this. Philadelphia was the center of U.S. technology. It went out across the Ohio basin, the Great Lakes basin, and it was the great American industrial heartland. And it also became the great heartland, through extension by railroads, and so forth, and the Mississippi River system of agriculture and industry. This was the great American heartland. We destroyed it. We destroyed it in the past 25 years with a policy of "post-industrial society."

Europe did not go as deeply as we did. It did not become as insane. Why? Because Europe had de Gaulle. Europe had Adenauer. Europe had a number of leaders who resisted what they recognized was the British disease in economy.

The United States followed the British disease.

We were not destroyed by the Soviets. We were not destroyed by the Japanese or the Germans. We as a nation have been destroyed by nobody but ourselves, because we were fools to accept ideas which are contrary to our entire tradition. Ideas that are contrary to everything we stood for. In Europe, it's been rough.

Dr. Hazim: Is it true that those who are the architects of the new world order are planning the physical extermination of those who are not considered by them first class, racially?

LaRouche: Absolutely. You can get statements straight out of the mouth of President George Bush from the time he was a congressman—and his whole family. And they are typical, of a whole lot of people, particularly in the United States and Britain, who think that way. For example, the most evil person in the world, on this issue, in this century, was Bertrand Russell. It's written. It's obvious. It's there. How can anyone doubt it? Or the Club of Rome: That's what they are committed to. They said so. How can anyone doubt it? The World Wildlife Fund.

Dr. Hazim: But on the other hand, why, given all the other problems you, yourself, have described facing the world, why, then, do we want more population. You keep insisting, for example, the world can handle three times the amount of people than it currently has. What do you base yourself on, given the problems you have described?

Every time we make a fundamental discovery, or even an important scientific or artistic discovery that makes everything better, potentially, for every human being, we increase the power of every human being. So the more creative human beings you create, the more power you create per person.

LaRouche: Well, first of all, it says that God loves people. So do I. I think God's right. Also, I think these gods of Olympus are wrong, the Caligulas of the world.

But also, we have the technology, to me that is beauty. We are in a position, now, where we should be colonizing Mars over the next 40 years, the way I've laid out. We can do it. Why should we do it? Because we are human. Because it's useful, it's necessary, and because we're human. We don't know what human beings are supposed to do, ultimately; we don't have any final answers, but we know of what human beings are capable, so human beings should be educated to do that of which they are capable, because . . . we have a mind. We are not monkeys. We're not cows. We have a mind. We can create, if we educate our children.

Dr. Hazim: You have said, and we would like to know why, you would say: The more people there are in this world, the more creativity there is available in the world. Some other people will say there is more to consume, more mouths to feed.

LaRouche: The way economy works, people tend to be greedy, and they think in terms of objects; they like to have objects. But, you see, we as human beings have limited physical needs, really very limited. We shouldn't need too much: How much can we eat? How much can we consume? How much clothing can we wear? How many rooms can we occupy? We don't require much, not as human beings, not in terms of these things. Maybe our children require something, our families. What do we require? We require the nourishment of our mind, and the opportunity to use it.

Now, every time we make a fundamental discovery, or even an important scientific or artistic discovery that changes and makes everything better, potentially, for every human being in the world, we increase the power of every human being. So therefore, the more creative human beings you create, the more power you create per person. The consumption rises, yes. The requirement rises, but not so much. I see parts of the world, for example, Thailand: a little increase in the price of rice or more rice means a tin roof; it means shoes for the children, little things. The growth is great and the cost of the growth, in physical terms is very little. If we have dumb people, they don't create much, that's different. If we have intelligent people, which we get by educating them,

educating all our children, then we have a lot of creativity. Partly because we have been so backward, we have waiting for us in science, today, the greatest breakthroughs in technology in all human history are right there. So, why do we worry about these little things, when, only by reaching ahead, and taking some of these great discoveries which are now being made, and using them, we can solve all these problems?

Dr. Hazim: Isn't it easier to plan for humanity, if you have a smaller bunch of people instead of allowing this demographic explosion. . . ? Will it be easier, more efficient if we have less people around to plan for?

LaRouche: It doesn't work. It's a very simple problem. If you're going to have a high-quality population, you have to have a population which has a life expectancy, modally, up to 85-90 years of age, if you want a quality population. If you want a highly educated population that means you have a school-leaving age of about 25 years of age. Now, in order to have a productive society, you must have a highly educated population. That means up to 25 years of age education. Now, how many years of adult life to pay for raising one child to 25 years of age with full education? That means you require an effective modal life expectancy, working life expectancy, of up to 60, or 65, or 70 years of age. If I produce a population which is generally healthy, up to 60-70 years, from the standpoint of work, then I have a population which will live to 85 or 90 years. . . .

Now, therefore, if I reduce the birth rate, then I have a population that is demographically aged, where 50% or more of the population will become senior citizens. Now, to reduce the population, I have to go around and kill the senior citizens. This is what is happening now. People will say, "Right to Die": Cut down hospital services, cut down health insurance. You're getting to the point where if you walk out of a factory on your last day of employment at the age of 65, they shoot you in order to maintain population control.

There's a certain structure of the family in terms of children per married couple, which maintains a balance for progress. If you have fewer children, then you have a demographically aged population. If you try to lower the life expectancy below the working age of retirement, at 65 for most of the population, then you have a poorer-quality population, then

you lower the population potential. What you do is, then, you create overpopulation. You create a population which you cannot maintain; and you say, "Maintain a smaller population and all will be well"; but the things that you would have to do to reduce the population will create the problem you say you're trying to avoid.

Dr. Hazim: Mr. LaRouche, I would like to go into, at length, what you see the world looking like, starting from where we stand right now, given the framework that we have in front of us, right now.

You are in jail. Let us assume you were to remain in jail and complete your full sentence; that your organization continues as it is, right now, with some activity on the outside; that President Bush remains in office and gets reelected, which most people are currently expecting; that the current governing team remains in power in Washington; that the Soviet Union continues along the path it is on right now; that Japan will continue to invest, as it has up to now, in the United States; that Germany will continue to increase its size, its power, within the framework of a European economic system.

How do you see the next few years coming by, barring some kind of revolutionary upheaval?

LaRouche: There are periods in history which are comparable to this, particularly European history. The periods of wars, like the Thirty Years' War. The first Thirty Years' War is the Peloponnesian War, which destroyed Greek civilization from inside. We had war periods like this in the fall of the Roman Empire. We had, in the fourteenth century, the banking practices and the conditionalities, like we have today, practiced by the so-called Lombard banks, which led to wars in Europe which reduced the population of Europe by one-half, wiped out half the parishes in Europe prior to the Renaissance. Then we had the wars of the sixteenth century, which tended in that direction: the wars between France and Spain, for example, in that century, the wars of the Netherlands. Then we had the Thirty Years' War proper, in the seventeenth century. We have the Napoleonic Wars, which are a kind of Thirty Years' War. Then we had a Thirty Years' War, really, from 1912, the beginning of the Balkan Wars, until 1945.

Now, I believe we are headed in the direction—unless we change policy—of something like that. We saw this already in the period preceding World War II and during it, and following World War II: the rise of guerrilla wars. The first major event, of course, was the Russian Revolution, which was a part of this Thirty Years' War type of syndrome: a different war, a civil war coming up in the middle of a general war. The Middle East is decaying, being destroyed by the war that recently occurred, because the war created instability, and the instability is now ruling. There'll be more wars, more bloodshed, there. We are headed toward chaos: what we're doing to Mexico, what's being done to South

America, Brazil. We're headed toward war and civil war. Africa: war and civil war. Middle East: war and civil war. Violence increases, with clubs, with stones, with knives, with everything. The planet will go into chaos of that type, like a Thirty Years' War, with some regular wars, little wars, upheavals, social chaos and so forth, unless we bring order back to this business.

My view is: What I see as having to be done, must be done. We must get rid of the ideologues. We must go back to sane statesmen, of which de Gaulle is a good example; Perón was an example. Perón is much maligned in the United States, but Perón was a great statesman. . . . Mrs. Gandhi, I see as a great statesman. Her son Rajiv, before they killed him, was beginning to become a statesman after one set of problems, in his first prime ministership. So, either we do what I think has to be done (details are flexible), but the general principle of going back and saying, "Throw the New Age away, we're going back to civilization," the principles of European civilization and the rights of all people on this planet to those rights. We're going to scientific and technological progress again. We're going to an anti-usury monetary system. We're going to rebuild this planet by employing people to produce physical wealth and improvements, and we're going to reinforce the sovereign nation-state as the institution.

Let me just emphasize that to make it clear: You have these people coming up with these ideas, which are called in the Bible, the Tower of Babel. We have people, they're going to build a one-world system: "We're going to take all the people, and we're going to stick them in one big tower called the New World Order." What happens? What happened to the Tower of Babel?

The essence of life, the individual, is an individual. He lives a short time, he dies. His span of physical influence is small. How does he function, this individual? How does his family function? It functions through a state, through a government, through a society. The society functions through the state. How does the society function? You have a state which speaks the same language as the people. The people and the state deliberate together. This deliberation is sovereign. This is the essence of a people. What you need is a world which is based on a collection of mutually cooperating sovereign republics, all committed to the rights of each and all to the benefits of scientific and technological progress and to elementary principles of natural law, which are based upon the sacredness of the human individual.

If we say we're going to do that and get rid of these ideologues, we can survive. It will be difficult, but we'll survive.

Dr. Hazim: One final question! Why, since you are not a Catholic, do you base yourself so much on, sound so much like the social doctrine of the Catholic Church?

LaRouche: It's scientifically correct.