
Dialogue With LaRouche

Leaders Must Tell People What To Do

Here are questions posed to Lyndon LaRouche, along with his answers, after his June 15, 2006 videoconference on "The Role of Oil in the Transition to Nuclear Energy," organized by the LaRouche Youth Movement and EIR, with audiences in Mexico and Argentina. The session was moderated by Mexican LYM leader Ingrid Torres. Subheads have been added.

Torres: Mr. LaRouche, we would like to thank you very much. We're going to proceed with a question period. We will first take a question from here in Mexico City, and then there will be a question from Argentina.

Leadership Is Lacking

Q: I have known and respected you for 12-14 years through *Resumen Ejecutivo* [EIR's Spanish-language magazine—ed.]. My question is about the electoral process in Mexico. We know that the PAN is a Synarchist party. And I have recently come to back the López Obrador candidacy, not so much because I think he has a solution, but because I feel that by trying to support LaRouche here in Mexico, by stopping the PAN and the Synarchists, we can contribute to the work you're doing there in the United States against Bush and Shultz, in trying to change the way people think. So, I'd like to know what you have to say about Synarchism internationally?

LaRouche: Mediocre leadership, which is what your problem is with López Obrador, will not be adequate to deal with the threat to civilization now. For example, in the United States, in the Democratic Party, that is, among elected Democratic Party officials and activists within the party, in both the Republican and Democratic Party combined, you have a sufficient basis for overthrowing the policies of the George Bush Administration. What's the problem, then? Why is it that Democrats, who sometimes cooperate with me, sometimes even accept my leadership, suddenly seem to fall on their faces and not do the job? Why does a López Obrador, whose reforms in Mexico City and some of his policies were excellent, at least in part, why does he suddenly seem to become weak in the face of the run-up to an election? Why do we see this around the world? Why do we see what is actually impotence among people who represent the constituency, or the leadership of the constituency, which would be willing to undertake the solution to the problem?

I'm very familiar with this problem—the problem of leadership. Sometimes the idea of democracy, the way it's spread,

is the enemy of freedom. Because freedom always occurs, and has always occurred in history, by leaders who have insight into what needs to be done, and the courage to clearly present and mobilize people around that insight.

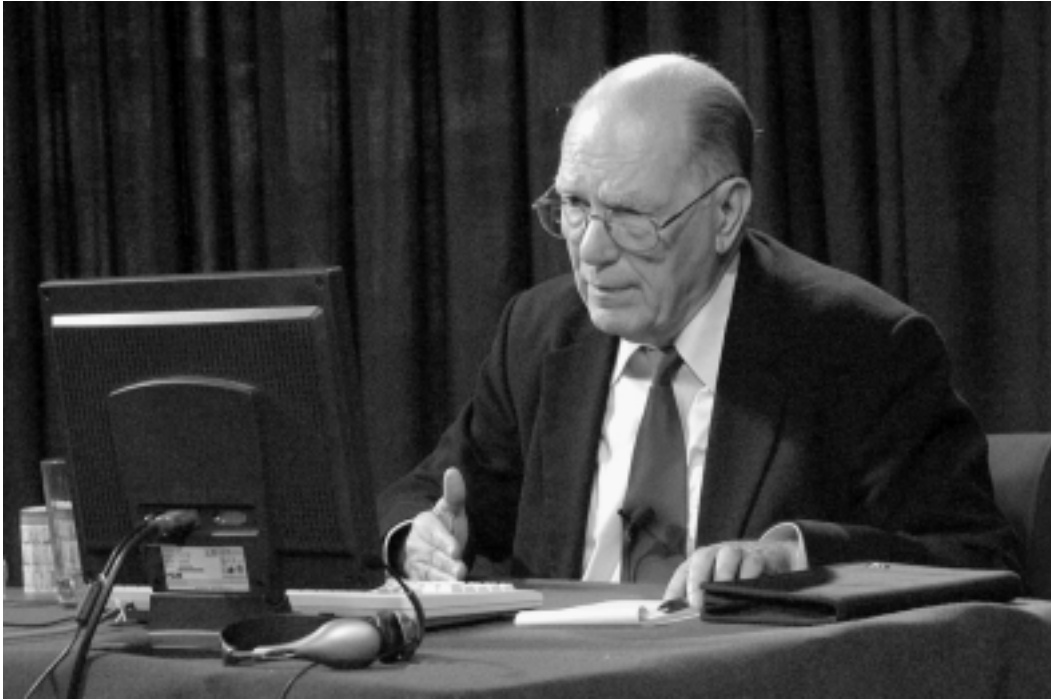
It's the same thing as command in war: A great people can lose a war, because of a lack of leadership. In the case of the saving of the United States, which had been a hellish country during the 1920s, under Coolidge and Hoover, Roosevelt saved the United States with his leadership! Now, it wasn't just his personal leadership. He wasn't a dictator, he was a President of the United States, and he had with him people who were leaders. And together, they worked and they organized. And they transformed a broken United States in a period of less than ten years, into the most powerful economy, the most powerful nation on this planet, by more than doubling its strength! And without what the United States did under Franklin Roosevelt, Hitler would have ruled the world. It was the U.S. intervention alone, which prevented a Nazi domination of the world, long before 1945! Hitler would have won the war by 1943, without what Roosevelt did. Without question.

So therefore, the problem you face is the problem of leadership. And the problem we have in the United States, is the lack of leadership. And that's what my role is, is to provide an image of what leadership represents, to push leading people.

Now, the same case happens to Mexico. If you don't have a strong leader who actually provides leadership, a perspective of building the country, not merely as a reformer who's going to do some nice things, who's not a bad person, then against a determined opposition, a powerful opposition, they'll crush you! Because the problem in Mexico is that the pressure is from the United States, and some other sources; the pressure to *do* to Mexico what they *plan* to do to Mexico. And the problem that people in Mexico are seeing, is a leadership which is, in its populist standard, a decent leadership, which would resist some of the worst things. Are they capable of providing the whole people a sense of leadership, which would mobilize the people to defend themselves?

The big problem around the world today, is that the lower 80% of families, adult families in the world, do not have a sense that they are part of the government. They don't have a sense of themselves as being treated as citizens. They see themselves as people who are trying to blackmail government, by strikes or other demonstrations, or other means; or choosing among their enemies for leadership.

We need leaders who inspire the great masses of people to stand up for themselves. When people believe that they have leaders who will actually identify and solve the problems of life that they are suffering, in a time of crisis, people will mobilize. And it is precisely a lack of that kind of leadership, you see in the United States today, you see in Europe today. And you see it also in parts of the hemisphere. The lack of confidence of leaders to lead fights, the lack of confidence of people *in* their leaders. You have good signs, for example, in



EIRNS/Stuart Lewis

Lyndon LaRouche, speaking to the June 15 videoconference on high-technology transfer held in Mexico City and Buenos Aires.

Argentina. You see where a sense of good leadership has strengthened a country, and has been a very useful part of trying to bring cooperation among the member-states of South America together. Not perfectly, but bringing it together. You have a process in South America, which on the surface, is very promising. It is not strong enough to change the world situation. But if we in the United States were to cooperate, change our policies, and cooperate with what is emerging in South America now, you would have a change in the hemisphere, you would have a change in the world.

What is needed is leaders, leaders who have a clear understanding of what has to be done, and approach politics as you would expect a general to approach politics on the battlefield: That is, not to kill people, but to provide the kind of leadership which mobilizes a people to act effectively in their own interests. And that's where the problem lies.

My struggle in the United States, is to find among the leading people in the United States, real leadership. And to find a possible replacement, Presidential replacement for the present President: Soon! Quickly! To get Bush out of there, and get Cheney out of there first. Without that, civilization's in danger, for all of us.

Now, I'm getting somewhat older now. I'll be 84 years of age in September, and my prospects for running the United States, say for eight years are not very good, biologically, though I still may be around for the coming eight years. But I know what needs to be done: I'm trying to find, and groom, and encourage, people in the United States' system, who would have a chance of being elected as President, or performing other functions of political leadership. And to pull to-

gether a group in the United States, which will represent the leadership which will *respond* to the challenge of these times. And to the responsibilities of the United States, not only to its own people, but the historic responsibility of the United States for the people of the Americas, and for the people of the world. We have to provide the spark, which encourages the world to believe that they can do something to fix their problems. And that's where the problem lies.

The problem is, the populism is a problem, always, as in Mexico. The idea of being a populist is not bad; it's better than the alternative. But in a time of crisis, it is not an adequate leadership. Adequate leadership means taking dramatic action, mobilizing the people to support dramatic action of reform, especially today, economic reform. We must provide mass employment in productive industry, in agriculture, in manufacturing, in technology. We must introduce a higher standard of education and availability for university education. We must build up infrastructure, we must build up water resources, power resources. We must develop agriculture back to a higher level of strength. *We must do these things!* And we must have a leadership which boldly acts, and says to the people, "If you agree, we will do the following; if you agree, we will do the following; if you agree, we will do the following." And mobilize the people themselves, *to move* in their own interests.

It's the same way you move an army: You move the army to fight in its own national interests. You move a people in peacetime, to fight for its own national interests. But you must convey to them, very clearly, the kind of action which must be taken, *by them and by others*, to save their situation. If



www.arttoday.com

What is needed, said LaRouche, "is leaders who have a clear understanding of what has to be done . . . and mobilize a people to act effectively in their own interests." He pointed out that this is how Franklin Roosevelt (shown here) transformed and "saved the United States with his leadership!"

you're sitting back, and you say, "Well, I'm going to give you this, and I'm going to give you that, I'm going to give you this," that is not leadership. Leadership is mobilizing the people to act *in their own interests*. Tell them, "You have permission to act in your own interest. You have our support to act in your own interests."

And people will respond to that. They did under Roosevelt. I saw it. I was living, you know, as a young fellow, back in the 1920s: I saw the Hoover and Coolidge Administration, especially the Hoover Administration. I saw what happened under Roosevelt: The people of the United States changed in response to the leadership of Franklin Roosevelt. And what they did, was not what he told them to do, though they did that, but they did it because *they were acting in their own interests*, to get out of the Depression, and in their own interest to prevent the world from being taken over by Hitler.

So, we require leaders who have the courage, the intellectual insight, for an accurate assessment of the situation; who share that assessment with the people; who tell the people what the *people* must do! Not what they're going to promise the people, but *what the people themselves must do*, in order to change the situation. And that's where the weakness lies.

And I would hope that people in the Americas, based on what I see with the tendency toward unification on common interests, among the states of South America in particular, I would hope that that would be seen as a force which can be used to shape the emergence of an appropriate leadership among the nations of South America, to open up the great opportunity there.

And I, of course, am immediately, automatically, allied with whatever that leadership is, whatever that proves to be, because that's what we need in the Americas as a whole. The problem here, is a lack of a sense of leadership among politicians; a lack, a loss of understanding among political parties of what leadership is; a false conception of democracy

which means that you deliver things to the people as charity, rather than getting the people to rise on their hind legs, as human beings, and take what is theirs by acting in favor of the actions which they must do, with the support and assistance of their government to change their situation.

We Are in Danger of a Dollar Collapse

Torres: Are there any questions in Argentina? Go ahead, Argentina.

Q: What's your view of Iran's announcement of the creation of an oil bourse denominated in euros?

LaRouche: I don't think it's too significant—don't think it's too important. You have a process under way now, which is actually accelerated by the meeting of the Shanghai Cooperation Organization this week. The problem lies in the aftermath of an intention by Dick Cheney and others in the United States to launch a probably three-day total aerial attack on Iran, from the combined U.S. fleet—that is, aircraft carriers, three of them—from B-2 bombers, from B-52 bombers and so forth, and missiles, on Iran.

Now, the problem here is people don't understand it, because they look at it too narrowly. They look at it from a press standpoint. They say the problem is there's a conflict between the United States and Iran. Well, there is a conflict between the United States and Iran, because the United States is threatening to attack Iran! That is a conflict.

But the *cause* of the problem has nothing to do with Iran. It had nothing to do with Iraq. It had nothing to do with Afghanistan. There was no reason to go into Iraq. There was no reason to go back into Afghanistan. There is no reason to go into Iran. And these are not the only targets. The targets of this policy include China, Russia, and other countries! It includes countries of Africa, as well,

So what you have is a group, an Anglo-American group, with a French Synarchist alliance, which is moving for a *world empire*. And what they're doing, is, they're picking targets which they think they can handle, in order to create chaos on this planet, and create a Synarchist empire of the type that the friends of Hitler wanted back in the 1930s.

So you have an imperial thrust, from international financial interests *behind* the Bush Administration, and behind the Blair Administration in government, for example. And elsewhere. Also some people in France. They're pushing for conflict. Their targets include the destruction of China, the destruction of Russia, the destruction of other parts of the world.

Iran was not the cause; the existence of Iran, or a condition in Iran, was not the cause of the crisis. There are problems in Iran, there are problems with Iran, as there are problems in most parts of the world, among most countries, on one basis or another. These are not necessarily the causes for a military or related major conflict. We've come into a period where negotiation and diplomacy are to be preferred to warfare. And

the question of the euro, denominating the Iran currency in euros, rather than dollars, is a result of a collapse of the U.S. dollar. And a feared collapse of the U.S. dollar, and a shift by some Europeans, like the French in particular, to try to get a euro-bloc of currency for whatever assets may be found in the world.

However, the problem, the question of the Iranian oil, is a question of: Can we come to an agreement, with Iran, of the type that Russia and China are working to facilitate, that Germany is interested in facilitating? If that agreement is established, we have no problem. But then, we have a dollar problem, not a euro problem. The euro won't last very long. The euro is about to be broken up anyway. It's a failure. It's a bad idea, whose time to die has come! What is needed is to deal with the dollar problem. The dollar is now virtually bankrupt. I could deal with the problem, if I were President, or if people in the United States would do what I tell them we have to do, we could deal with it. It's not a real problem.

See, the problem is today, in the U.S., with the dollar, is that interests led by the French Synarchists are presently determined to destroy the U.S. automobile industry, by ruining it; and destroying the ability of the United States to have a machine-tool capability. At that point, if that were to occur, the United States would become a joke. If the auto industry is shut down, as Felix Rohatyn and other people are determined to do—the Synarchist Felix Rohatyn—then the U.S. dollar is worthless. If we defeat them, if the U.S. auto industry is saved with its machine-tool capability, and if other reforms are made which are consistent with that, the U.S. dollar will be the strongest on the planet.

Because, well, look: The Chinese hold, what? Dollar assets. What do other parts of the world hold? Dollar assets. If the dollar collapses in value, what happens to those economies that have dollar assets? Or whose debts are denominated in dollars? What happens to them? What happens to those who depend upon the market which the U.S. dollar represents in the world? U.S.-based credit?

So the problem today, is the dollar—not the euro, not Iran. The problem, today, is you have people like Cheney and his masters, who are determined to plunge the world into war. The problem today is the lack of leadership, to act on the understanding that this is the problem. You have more and more people in the world who recognize that this is the problem. But you don't have enough of those people who recognize the problem, who are willing to act and put their necks out, on that issue: That's what I'm doing! I stick my neck out. I get into trouble once in a while, as you may have heard. And I get into trouble, because I'm a political threat to my enemies. Or the enemies that have chosen to be my enemies. And that's the problem.

So, yes, there is disorder, a sense of disorder in this idea of the euro market for the Iran oil. But that is really not a major problem. The major problem is the fact that the U.S. dollar is threatened with a major collapse.

You have to realize, that we're at a point, that between now and September, we are in danger of *a collapse of the dollar!* A tragic collapse of the dollar, which will be tragic for every nation in the world. It will start a general collapse beyond anything we experienced in 1928 to 1933. *That's the danger.*

Nuclear Power and the Environment in Mexico City

Q: I'm from the University of Guadalajara. One of the problems that Mexico City has is the environmental factor. What would be the impact of the development of nuclear energy? How could it help deal with the ecological issue?

LaRouche: Well, there are three problems associated with this in the case of Mexico. Number one: Mexico City is overcrowded. You look at the whole area, it has certain characteristics, and you have the fog comes out of its sleep in the morning, and envelopes and chokes the population during the course of the day. And people at the highest levels in skyscrapers have the least choking. It's a horrible situation!

It's an overcrowded city. It's typical of colonialism, in which you have entire nations in which the territory is very little developed outside of a major capital, or one or two major capitals. And you have great congestions in slums, and great poverty in one major capital.

The problem in Mexico has been, first of all, the breakdown of the railway system. Mexico needs a high-speed rail system for freight as well as passengers. It needs the development of Mexican industries, which draw off some of the population of Mexico City into new opportunities for development inside the Mexican territory itself. This is not possible without improvement in the water problem.

Therefore, the first thing you have to have, is you have to have a lot of—you need desalination. In part, there are ways in which some of the water resources in the south of Mexico can be brought north, either across the mountains or along the coast, as to the PLINHO operations in northern Mexico. But in general, without water, and without transportation, the problem of Mexico City will tend to become worse, and not improve. It will become a crisis. Therefore, *all* the problems of Mexico City require *decentralizing* Mexico to a significant degree.

Now, you had a policy, back in 1982, of 20 nuclear plants, major nuclear plants, for Mexico. Twenty major nuclear plants would have meant 20 centers for development. It would have meant redeveloping the railway system, which had been destroyed in Mexico. Because you need a very efficient, modern railway system in Mexico itself, to develop the territory. You need large amounts of water management, to take territory which is arid, take the northern area of Mexico between the two Sierra Madres, this area has to be developed; it needs water. The only way we can get a sufficient amount of water, is with nuclear desalination.

So therefore, to solve the problems of Mexico, we have to

Proposed Locations of Some Agroindustrial Nuclear Complexes (Nuplexes) by the Year 2000
(1981 Proposal)



Large agroindustrial complexes based on advanced energy sources are essential for Mexico's overall development. Nuclear reactors—optimally, high-temperature gas cooled reactors—and magnetohydrodynamic power generators will provide the base for chemical fertilizer plants, steel plants, desalination plants, and electricity grids.

This map and caption were published in 1981 by Lyndon LaRouche's associates in the Fusion Energy Foundation and the Mexican Association of Fusion Energy, at the time that it was the policy of Mexican President López Portillo to build 20 nuclear plants, to industrialize Mexico.

take a medium-term to long-term view. We must take certain objectives, we must build a transportation system, so that we can build up new population centers, new high-technology population centers, throughout the territory of Mexico, in appropriate locations.

We must improve the conditions of agriculture, particularly in northern Mexico. We must! Because, if we don't raise the productivity of agriculture, you can not deal with some of the problems. For example, migration to the United States is a reflection of this problem: You have families which are being broken up, and sent into misery in the United States, as the alternative to no employment, or misery in Mexico.

And Mexico City is the capital city of Mexico. Therefore, it must be looked at as a functional part of Mexico. But as you see, in many countries which have been underdeveloped countries, or colonial economies, where major metropolitan centers occupy the population, and the countryside is in mis-

ery—and that's the problem. Mexico has been treated as a colonial nation, not as a republic.

And this has increased greatly since 1982. In 1982, there were still aspirations to change this. There were still impulses, when the PRI was in power then, to change the direction in Mexico, in this direction. I met with many leaders in Mexico, during this period and earlier, who were thinking in this direction. In the 1970s, there was the idea of bringing new steel industries to Mexico, the idea of changing many things. These things have been thrown to one side. Then, Mexico had a national banking system, which was Mexican-controlled. No longer Mexico-controlled.

So these are the problems. And what you see in Mexico City as crises, are reflections of the crisis of Mexico as a whole. And the way to look at this, is to look at it, by saying, "We'll fix the problem of Mexico City, by fixing the problem of Mexico as a whole." And the first thing: high-speed mass

transport, freight as well as passengers; development of new cities, probably 20 new centers in Mexico, based on the selection of certain industries, or combinations of industries which are natural; the improvement of agriculture, by providing power and water, in particular, and other assistance to Mexican farmers. To begin to build up the entire territory, so you have a higher level of productivity per square kilometer, throughout the entirety of the Mexico territory.

You do that, and the Mexico City problem will solve itself.

Nuclear Power Is a ‘Higher Order’ of Power

Q [from Argentina]: I wanted to ask Mr. LaRouche if you could briefly explain your concept of energy flux-density, so that we can understand more clearly why nuclear energy is qualitatively different than other power sources, and why it’s indispensable for the phase of accelerated growth which humanity needs to ensure its survival.

LaRouche: It’s a matter of physics. The idea that you can measure energy in watts or calories, and define energy topics in those terms is a fallacy, which is widely circulated. But it’s utterly incompetent, scientifically.

The more competent measure, as a crude measure of what we should call “power”—don’t use the word “energy,” that’s a bad term; use the term “power.” And the best measurement of power is in terms of watts per square centimeter of territory. Now, what that means is, for example, you have three levels of common reaction in ordinary physics, that is basic physics; not living processes, but basic physics. One, you have chemical reactions, which are molecular reactions. Then you have a higher order, which are called atomic reactions, the relationship between electrons and protons in the combination of molecules and things of that sort. Then you have a still higher level, which is nuclear forces. In other words, you have the chemical forces, which have a certain limited power. When you get into the power of combination, of atomic action, you get to a higher order; that is, the forces which bind electrons and their core nuclei together, this is a higher order of power. This is nuclear power, what we call nuclear power. Then you have, also, the thermonuclear processes, which go into the forces within the core of the atom, the core of the nucleus of the atom, intranuclear forces.

These forces, these densities, or what we might call power densities, reflect the capacity and efficiency of action in the universe. If you want to, for example, desalinate water effectively, you can—the plants do it rather well, in terms of what they do, in terms of turning sunlight into atmosphere.

You have burning wood, burning coal, typical chemical reactions of sources of power. Burning oil, burning natural gas, typical chemical sources of power. Then, you get to a layer which is nuclear power, nuclear fission. Then you get to the point where you get nuclear fusion, thermonuclear fusion. These are relatively higher orders of magnitude of power.

Conversely, if you want to do something, and do something efficiently in the universe, you must go *to a higher*

order of power. Therefore, mass desalination requires nuclear power. Ordinary chemical processes can not do that efficiently on a mass basis. You may, by exception, you may use plants to do things like that, but you won’t do it effectively. If you want to get changes on a still higher order of power, you have to go to thermonuclear fusion. For example, we are running, on the planet, toward the point at which the rate at which we’re using up rich natural resources, mineral resources, is outrunning the supply available. That is, readily available. Therefore, either the cost of production is going to rise catastrophically, which will lower productivity per capita, or else we have to find a way of improving raw materials supplies, artificially. That we can do through the aid of thermonuclear fusion.

We have a population now on the planet of over 6 billion people. This will grow soon to 8 billion people, unless there’s a dark age. At that point, we are using up the richest available resources, immediately accessible resources, under present methods, more rapidly than we can replace them. Therefore, we have to think about the management of raw materials, so-called, which means we require thermonuclear fusion processes to deal with this challenge.

Therefore, anyone who cares about the human race, now requires nuclear energy as the primary energy source. Let’s take the case of petroleum: What we will do, we will cease to use petroleum as a fuel for power, gradually, and natural gas in a sense. We will use a form of synthetic natural gas for fuels as in combustion engines. Synthetic natural gas is called hydrogen-based fuels. Hydrogen-based fuels can be produced, en masse, with nuclear reactors of the high-temperature gas-cooled mode, in the order of magnitude of 800 MW. Therefore, we are going to shift from shipping oil into various parts of the world in order to get power, we’re going to shift to using nuclear power to generate hydrogen-based fuels locally. If we have a nuclear economy, in which nuclear power is the primary source of power in the economy in localities, as in cities, then you’re going to generate the hydrogen-based fuels which are more efficient—even than the so-called natural gas, or even the best natural gas—than petroleum. So we will use petroleum and natural gas and things, as sources as feedstock largely for fertilizers and things like that, for chemical products.

So the change is, the change in the concept of what is our power supply? We want to go from a relatively low-density power source, to a high-density power source. Which means going beyond simple chemical reactions, to nuclear reactions, and to thermonuclear reactions. And that’s the way the human race has to go, if we are going to meet the requirements for the human beings’ decent living standards, in time to come.

How Can We Resume Nuclear Development

Q: I’m from the Hispano-Mexican University, and I’m studying international affairs. Some people might think that



EIRNS

An irrigated area in Sonora stands out in the great plateau which runs from Central Mexico up into the U.S. Western Plains states. This area would have an enormous agricultural potential, if nuclear-powered desalination were developed to provide water for irrigation.

a student of international affairs wouldn't be interested in nuclear energy, but I want to say that this is very important to me, because it is the basis of the economy, and of international affairs. My question is, coming back to the question of Mexico in 1982, where there was a policy for nuclear development and then a setback to that. How can we resume our nuclear development? What's the best way to develop this, to benefit the country? In light of the problems that exist with the unfortunate Bush Administration, how do we go towards nuclear, especially because oil is running out?

LaRouche: Well, we probably should do what many people who are experts in Mexico think we should do on this question. And that is, first of all, we should have a recovery of the petroleum policy that existed in 1982, before the change. Because there are other things we can use petroleum for, besides power, besides burning it for power. Petroleum can also be a feedstock for fertilizers and for chemicals and things of that sort.

So we will want to recover the industry. Now this may take five to seven to ten years to fully realize the potential which existed in Mexico with Pemex, back in 1982. That's a fair estimate. But at the same time, we want to develop, go back to the idea of at least 20 nuclear plants very quickly, for Mexico, and put them in places where they become centers of production, power for agriculture, and so forth and so on. That's the first policy.

And in this, the petroleum then will shift its function from being consumed as a source of power, and will become a chemical feedstock for various kinds of products. And that's

the way to go. Use petroleum in the best way it can be used, where it's most efficient. And petroleum, like natural gas, is very good as a chemical feedstock for making fertilizers and plastics and all kinds of things.

So do that. So you build up your industries. So, building up the petroleum development of Mexico is not a contradiction to the need for nuclear energy: quite the contrary, the two go together. Look at petroleum as a feedstock for your chemical industry. And where you have petroleum, in the meantime, you may use it for fuels, until you get your nuclear power system cranked up. But, your long-term objective is to use it as a chemical feedstock for various kinds of things, while building up a nuclear context as a basic power source for the economy.

Pay for Nuclear Power out of Future Income

Q: Good afternoon, Mr. LaRouche. I'm from Mexico City, and I'm a representative of a sales company. I have a question with regard to what the cost of investment would be to implement nuclear energy. Obviously, what you invest in Mexico for such a technology, you would have to cover in dollars. And if we're talking about an imminent collapse of the dollar, what possibilities might there be, or how would we be strengthened, if we were to establish a currency in Mexico which would be based on silver?

LaRouche: No, it wouldn't function. The idea of a monetary unit, such as a gold or silver, does not function as a basis for defining the credit system of a nation. This is a European idea, not an American idea. But unfortunately, the British influence throughout the world, is such that—or the British Empire's influence, shall we say, is such that the idea of monetary systems of that type prevails, and the false medieval conceptions of the role of gold and silver also prevail.

But we now should be out of medieval society, in which we consider gold and silver as the basis for currency. We may consider it as a reserve standard, for international currency relations. But we would never consider, an intelligent economy today would never consider a monetary metallic unit, as the basis for *value* of a currency. They would use gold as a way of regulating the relationships among different currencies, but you would never use a monetary unit as a basis for value in an economy. Because it is *not* the basis of value, except in a slave economy. But in a human econ-

omy, gold and silver as monetary units are archaic conceptions which do not belong to modern civilization.

The basis for civilization, is the U.S. system, as prescribed by the U.S. Constitution. The U.S. Constitution prescribes a monopoly on the issuance of money by the Federal government, with the permission of the Congress: that's our system. No currency can be issued in the United States, except by an Act of Congress, which authorizes the Federal government to make that issue of U.S. dollars. Any other system is insane.

Now, under that system, when the U.S. government issues a currency, or utters a currency, that currency can either be distributed immediately in banks, or it can be put into reserve accounts through the banking system, as credit. The government may spend that currency as investment in basic economic infrastructure—such as, for example, nuclear plants! Now, the issue, when the government does that, by creating credit, either for use as loans, government expenditures or loans through private banking, this is capital. It is credit used as capital.

Now, let's take a nuclear plant. Today, nuclear power is so efficient, much more efficient if properly used, than any other source of power, you have no problem. If you need the power, use nuclear power. It's superior to any other source of power, in terms of requirements of humanity. The idea that it was not, was simply an artificial arrangement to prevent it from being proliferated. But we need it.

The investment you're making in nuclear power, you're making an investment which is approximately 30 to 40 years' capital investment in a nuclear plant. That means that you're going to amortize your capital advance for this plant, over a period of 25 to 30 years; which means that you do not have to have a pay-as-you-go approach to buying nuclear power! If Mexico has a credit system, and is part of a credit system which is tied to the United States which has returned to the U.S. credit system, then Mexico has no problem. If it's in the interest of the United States, that Mexico have nuclear plants of its own, the United States can use its power as a credit instrument to assist Mexico in raising, through its own banking system, enough national credit to finance the construction of nuclear plants—or anything else that's required: rail systems, *obviously*, in the case of Mexico in particular.

You're going to require long-term investment in rail systems, in power systems, in water systems. These are 30- to 50-year investments. Some longer, as in major water systems. Therefore, they need to be made. The capital has to be raised to construct these facilities. The government must regulate the thing. The banking system must be regulated so this can be done.

So you don't have to pay for capital investments out of current income. You must be able to *repay* capital investments out of future income! That is a credit system. That is the U.S. Constitutional system. That is the way we're

going to rebuild the world, out of the mess that the world economy is in today.

We're going to have to freeze the existing monetary systems, which are hopelessly bankrupt. They can not be saved. We have to put the banking systems into receivership by governments. We have to have cooperation among governments, in creating international credit which is used for the development of all the participating nations. And therefore, you will have a situation in the Americas, under which the states of the Americas will probably reorganize their debts through cooperations among the member governments of the Americas. This credit will then be used to assist governments who are members, in getting the capital financing, at low interest rates, 1-2%, in a fixed-exchange-rate system.

Under those conditions, there is no limit to what we can provide in investments within what we can do physically. And since Mexico needs this, it's cheaper to help Mexico have nuclear power, and agricultural development, and water development, and rail development, now, than to wait, and watch the population go down the tubes through lack of development along the line.

You invest in the future! You invest in the wealth you're going to create in the future! You invest in the power of the human mind, to make inventions, to make improvements, which will increase the productive powers of labor. You promote that. That is the American System. That is the system under the U.S. Constitution. That is the model which was used by many countries in Central and South America at various points over the past century or so, especially since the middle of the 19th Century. The American System of political-economy was understood by most of the patriotic circles of places like Argentina, and then later, in Mexico, and so forth, as the system to copy. And there was *hope*, that the United States as a nation would be a friend of these nations, and cooperate with them in their exercising their right to this kind of system. And that's the way it has to be today.

Torres: We've just received a telephone call from Mexican Congressman Agustín Rodríguez, expressing his regrets that he will not be able to be here with us today, as scheduled. We have another question from Mexico City.

Trade Unions Must Fight the Enemy: Globalization

Q: Good evening, I'm the secretary general of a trade union here in Mexico City. My question is, Mr. LaRouche: What is your point of view about trade union organizations in light of globalization? Here in Mexico, we're seeing certain setbacks, a kind of paralysis, in labor rights. What's happening? Are we modernizing, or is globalization leading to organizational stagnation? What should our position be, as trade union leaders, given this crisis?

LaRouche: I would say, that, first of all, you start with one word: "Fight." And then, you look at the situation we're



The conditions of agriculture in northern Mexico must be improved, or people will flee from poverty in Mexico, to misery in the United States, LaRouche said. Here, a child is carrying a sack of hand-picked cotton to be weighed, in Sonora state.

EIRNS

in, strategically.

Today, the trend has been, since 1971-72, toward the elimination of the sovereign nation-state as an institution, and the establishment of a new form of empire, called globalization. The model for this form of empire, is of course, in a broad sense, the Roman Empire. But it also is more particularly, the kind of empire that was set up between about 1000 A.D. and about 1400 A.D.: That is, an empire which was run by the Venetian oligarchy, with the assistance of a bunch of bandits called the Norman chivalry, who ran the Crusades, which were systems of mass murder, of Muslim-hating and Jew-hating mass murder! And these systems are the model for what is intended by the Synarchist International today.

Remember, the Synarchist International is a collection of private financiers, which is the group that put Hitler into power in Germany, which brought the Synarchists into Mexico and into South America, and so forth; which were the authors of what you had in Chile under Pinochet—the same thing. These guys are fascists. They are the authors of fascism. And their intent, as typified by Felix Rohatyn in the United States, who's actually, although he's a U.S. citizen, he's a French Synarchist agent; the same French Synarchists who brought Hitler into power in Germany, and in France! And these people are determined to have a global system in which nation-states do not exist as sovereign nation-states. If nation-states exist, they are merely to be puppets of international bankers, bankers of the Synarchist type, like Lazard Frères, and banks of that type.

That's what's been done to Mexico. Mexico has been deprived of its national banks, and it's controlled by foreign banks which have Mexico branches. And this controls the Mexico banking system. This is the problem! This is consented to and approved by the United States, which was an accomplice in this operation. You have also, for example, the British Empire in South America: The British Empire, through the Royal Bank of Scotland, controls the Banco Bilbao and the Banco Santander [both in Spain], which is involved in controlling much of the raw materials supplies and so forth in South America.

So you have the gradual buildup since 1971, especially through the floating-exchange-rate monetary system, of a predatory system which has looted the Americas, looted South America, looted Central America. The crisis of 1982, for example, in Argentina and Mexico, was caused by these people! I know these people: They have been my enemies for a long time! They hate me more than I think anybody else does.

So, this is the enemy. And therefore, we have to fight. The first thing we have to fight for, is to fight for the defense of the sovereign nation-state, as a famous President of Mexico did, back during the 1930s, against the Synarchists, then. You have to preserve and defend the sovereign nation-state, as a true sovereign. And you have to subordinate the authority of banking systems to obey the laws and regulations set by governments, by sovereign governments.

Now, if you don't consent to that, if you don't agree to

that, you have no sovereignty! And if you have no sovereignty, they will *crush* the trade unions like flies. It's what they're doing in the United States, today. Look what is happening to General Motors! Look at what's happening to Ford. Look at what's happening to Chrysler. They're being crushed. They're being looted. By whom? Well, we have it on paper: Felix Rohatyn! Felix Rohatyn, representative of the Nazi International, as typified by Lazard Frères, for which Felix Rohatyn is an agent, are looting and destroying the United States, and crushing the unions of the United States in those sectors! That is the destiny of trade unions! As long as these bankers control, they'll crush the trade unions! And therefore, the trade unions' interest is to be patriotic institutions, which defend the principle of sovereignty of their country, and negotiate within the framework of a sovereign nation-state, to obtain the conditions and improvements they require for their people, as representatives of their people. So that the people have an instrument on the economic level, as well as at the ballot box, to control their own government. And that's the role.

We must defend trade unions, even when they become corrupt sometimes, as we do in the United States. Because it's necessary to have institutions which represent the individual working person and their families; which fight for their special interests, in the special conditions in which they live. And this must be recognized by government. And government must encourage negotiations between employers and employees, negotiations which have become *rational*. And which correspond to national interest. And to assist in informing employers, informing trade unions, what the perceived national interests are. And to meet with them, and work through joint plans, among the employers, the trade unions, and government, so that we have a system which is stable.

For example, the key thing that Roosevelt introduced in the United States, was the Social Security system. Now, no private employer actually can provide guaranteed security, social security, health care, and so forth, for people. Someone has to be there to stand behind the employers, and stand behind the employment, to ensure that a system like the Social Security system in the United States is maintained. To maintain that a health-care system which is available to people, to ensure they have the right to health care, they have the right to these needs. And therefore, this is an essential part, also of the interest of trade unions, to defend social security systems. To look for national social security systems, as opposed to merely private ones; to look for national health-care provisions, in terms of hospitals and other systems, in place of merely private ones.

So the trade union has an essential function within a system of sovereign nation-states, as an integral organ within the institutional form of the sovereign nation-state. And it must be an active function. It's a political function, it's a non-governmental function, but it's an essential function, as proven by our experience in modern society.

Paul Gallagher

How U.S. Machine-Tool Sector Was Destroyed

Here are excerpts from a presentation by EIR economics editor Paul Gallagher to the the second panel of the June 15, 2006 Mexico-Argentina video conference on nuclear energy, exposing the shocking destruction of the U.S. machine-tool sector. Subheads have been added.

Beginning in February 2005, economist Lyndon LaRouche publicly forecast that the major United States automobile companies were in a profound debt crisis and headed for collapse. Within 30 days, LaRouche had written a memo, "Strategic Action by the Senate," which warned that preventing the virtual disappearance of the U.S. auto sector, depended on a Congressional intervention to use the discarded capacity of that sector, for large-scale modern infrastructure projects desperately needed by the nation. In April 2006, in a meeting with state elected officials and heads of auto union locals, LaRouche introduced an outline of Congressional emergency legislation, to create a Federal Public Corporation, and to act through it to take the scores of auto plants being closed down, and issue credits for their retooling for building rail transport, power, water and other infrastructure.

Arsenal of Democracy

Here is the way Lyndon LaRouche described the auto/machine-tool sector, the "last line" of such technological capability left in the United States:

"We have in society, certain categories of people who are associated with the machine-tool sector of industry. If you want production, if you want progress, science is not enough.

"For example: Suppose you're a scientist, you make a discovery: How do you certify a discovery? Well, you have to design a test apparatus, which actually is a test-of-principle apparatus. Now, in that apparatus, you will have built in something, which actually is new. It tests the principle you have never consciously used before. You're testing to see if it actually works, the way you have conjectured it would.

"Now, once you've done that, and it does work, now you have a secret you've discovered: That test apparatus, that you designed, is the basis for what we call, a 'machine-tool design.'

"Now, this is the way you take a population which has moderate skills, moderate scientific skills, and through the machine-tool approach, you produce product and systems whereby a large population, thousands of people, can work