
LaRouche in Dialogue With Minister Pedro Páez on Ecuador Radio

If We Change the System Now, We Can Save Civilization

Lyndon LaRouche was interviewed on Quito, Ecuador radio, 530 AM, for a morning broadcast on Jan. 30, along with Pedro Páez, Ecuador's Minister for Economic Policy Coordination. The host was Patricio Pillajo, and the subject of the hour-long dialogue was the global financial crisis, and what is to be done to solve it. Mr. LaRouche was previously interviewed by Pillajo on June 29, 2007. Simultaneous English-Spanish interpretation was provided by EIR Ibero-American Intelligence Director Dennis Small.

Patricio Pillajo: On this occasion we would like to carry out a direct, double-voice dialogue, with a domestic and an international link. To that end, we have invited, first of all, economist Pedro Páez, the coordinating minister in charge of economic activity of this government, on the internal front. And on the foreign front, from the United States, the former Presidential candidate of the United States, Lyndon LaRouche, who is on the line with us from Washington. Simultaneous translation is provided thanks to the valuable help of Dennis Small. He is director of *EIR's* Latin American division, and director for Latin American affairs of the political organization led by Mr. LaRouche.

We welcome Pedro Páez. Good morning.

Pedro Páez: Good morning. Thanks for inviting me.

Pillajo: And we also greet our friend in Washington. Dennis, Mr. LaRouche, good morning.

Lyndon LaRouche: Good morning.

Pillajo: Good. There is a foreign and domestic situation which is very worrisome. The situation of the United States economy, and the repercussions that this has internationally, unquestionably imply the

definition of policies and concrete actions around the world: Emerging economies such as that of Ecuador, which are anchored to the monetary model of the United States, undoubtedly have to be even more concerned. The situation has reached the point, that yesterday, the President of the United States, George W. Bush, recognized that the U.S. economy had entered a recession. Nonetheless, political sectors who criticize the policies of the U.S. President, such as former U.S. Presidential candidate Lyndon LaRouche, talk about a total financial collapse. What we are facing, Mr. LaRouche has said, demonstrates that there is a process of disintegration under way globally.

So, our first question for Mr. LaRouche, again greeting him from Quito, Ecuador: Doesn't your analysis and diagnosis sound too apocalyptic, in terms of the situation of the United States and of the global economy?

LaRouche: Well, anyone who doesn't see the apocalypse



Lyndon H. LaRouche, Jr.: "If the U.S. dollar collapses, you will have a global, chain-reaction collapse of every economy of the world, beginning within a few months."



Ecuadorian Minister for Economic Policy Coordination Pedro Páez: "We are facing a civilizational crisis, which goes way beyond a merely financial issue."

as actually happening, does not understand the situation in their own country. What's in process is a general breakdown of the world economy, which is only comparable to what happened in Germany between 1921 and 1923. The entire world is in a process of a *general, global financial breakdown crisis*, which is remarkably similar to what happened in Europe in the 14th Century, when the Lombard banking system of that period collapsed, and Europe fell into a long dark age.

See, it's not a U.S. crisis; it's a world crisis, but the U.S. is the most important economy in the world. For example, if the U.S. dollar collapses—as it very well could, under President Bush's present policies—you will have a global, chain-reaction collapse of every economy of the world, beginning within a few months. All you have to defend yourself against it, from that standpoint, is denial of reality.

The present world system is finished: It's gone. It's dead now.

'The Exhaustion of an Era'

Pillajo: Wow! Those are very strong, very serious remarks which you are making. We would like to ask economist Pedro Páez, the Minister for Economic Policy Coordination in Ecuador, what analysis has the Ecuadorian government made with regard to the current economic situation of the United States and its repercussions within Ecuador?

Páez: Well, greeting our colleagues in the United States, Dennis and Mr. LaRouche, I agree on various points which have been mentioned here. Without any doubt, we are looking at the exhaustion of an era. We are facing a civilizational crisis, which goes way beyond a merely financial issue. There's been an accumulation of tensions, which include issues regarding the way of life, not only the way of producing things, and these are at issue today. And therefore, it is *so* important that, in the face of this global crisis which is developing, and whose intensity and rate are still being decided—I don't know if the apocalypse begins tomorrow—but the real problem is that there is a world which is being exhausted, and we don't yet have the concrete answer.

And for that, the formula, "think globally and act locally," is fundamental. The solutions have to apply to the totality of humanity, and in that regard, what the national government of Ecuador is implementing is, in fact, trying to define a course of collective creation. And this is an invitation to all citizens, all economists, all politicians in Ecuador, all businessmen, to join efforts, put their shoulders together to resolve the problems.

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Breakthrough in Canada for Eurasian Land-Bridge
LaRouche Asks: Which Bank of the South Will Prevail?
Outflanking the British Empire—The Mass Effect

The Force of Destiny: The Power of Natural Law



Illustration by Alan Yue

LaRouche, Páez, and moderator Pillajo agree: The financial system is disintegrating globally and the crisis is urgent.

The situation of a country that's so small, with such a complex and hierarchical structure as we have in Ecuador, is without a doubt marginal, but not insignificant. For example, our initiative for the construction of a new regional, financial architecture is part of a series of measures which would allow us to somehow isolate, protect us from the effects of this pneumonia of the world economy and the United States, and allow us to generate internal responses.

The other dimension of our answer has to do with a process of transformation of the internal response mechanisms, having to do with a change in economic policy, beginning with innovation of instruments to be able to react. For example, the new financial architecture, or a new relationship between financial and productive capital; a new relationship between the popular economy and the capitalist economy, and the state economy, which has to do with companies and public administration; and a new way of in-

serting ourselves in the world market, precisely to prepare ourselves for this crisis.

Pillajo: Now, the diagnosis of Mr. Lyndon LaRouche, and of various sectors inside and outside the United States, is that this worsening is not a matter of years, but rather of months, perhaps the middle of this year, as expressed in his most recent webcast. This new financial architecture, this new relationship between financial capital and productive capital, might this be applied in the Ecuadorian situation immediately?

Páez: We share the same sense of urgency. We think that the time frame has to be shortened, in a hurry, with agility, because, in fact, we don't know what the outcome of this crisis is going to be. The crisis can become more and more colossal, in terms of the different factors involved in the world economy, and that's why we are moving very, very rapidly forward in that regard.

The Bank of the South, which was signed at the end of last year, was an excellent signal, and there has been a consensus with other ministers of countries that are of great weight, in Latin American policy terms, talking about the Fund of the South, to create a new dimension regarding the central bank, which will break with the orthodox, neoliberal view of an exclusively monetarist central bank, and which poses the issue of development, of production.

And finally, the need to converge towards a new, common monetary system, which will allow us to have some autonomy and independence with regard to the turbulence on the international markets.

Pillajo: Mr. LaRouche, do you have any remarks with regard to the ideas posed by economist Pedro Páez? We would also like to ask you, can the degeneration of the world economy be stopped?

'Go Back to a Roosevelt Conception'

LaRouche: There are solutions, if governments are willing to take them. Now, I've proposed actions from the United States, and with other countries, which would address these problems. It is a manageable situation, but only if we change the assumptions which are running the world economy today.

All right: The action that has to be taken, will have to be taken on one side by the United States itself to solve this, but this also requires international reforms. Now, to have a reform would require a combination of nations as powerful as the United States, Russia, China, and India. If that is done, if that kind of alliance is created, then the world as a whole could regroup itself to get out of this mess.

What you have to go back to, is a Roosevelt conception of how to organize a national and world economy: First of all, we must eliminate the floating-exchange-rate system. Because if you cannot create stable, long-term credit on the basis

of 1-2% interest rates, you cannot organize enough investment in large-scale basic economic infrastructure to get the world economy to reverse its present direction.

This requires a two-tier system: for domestic public consumption, public investment, 1-2% interest rate; for free trade, a rising interest rate. Which means that ordinary physical trade and improvement, especially infrastructure, will be supported, but free-market stuff will be curbed. Then we can think of recovery in terms of two 25-year periods.

Now I know that China and other countries of relevance are very much concerned with this. They recognize that—

Pillajo: What is the role that can be played by countries such as Ecuador, which believe—at least its government believes—in the constitution of a Bank of the South, and a new financial re-engineering? What role can they play? You say that the big countries, the United States, China, India, need to agree. What role can we play?

LaRouche: Oh, no problem! You've already taken the first step. I've always emphasized over the recent 30 years: It's necessary to bring forth something based on the old Rio de Janeiro agreement, in order to create a cooperative association of the states of the Americas, in which we can support a fixed-exchange-rate system, which will protect long-term investments within those countries at low interest rates. Now, the Bank of the South is an attempt to move in that direction. We already see some of the problems that get in the way of an effective installation of that program. Obviously, the system will not work, unless the effort in Central and South America is supported politically by governments such as the United States. In other words, the United States must recognize and support a protectionist policy among the nations of South America, that is, for the protection for the unity of the South.

Pillajo: Economist Páez, the country, however, doesn't consider this as its priority. There are internal problems: price increases, recent floods. How can we promote a policy in the short and medium term, as you see it, within these new economic relations, internally and externally, when the country's priorities are different? At least, in house, at this time.

Páez: I agree completely with what Mr. LaRouche just said. The key thing here is how, from the local perspective, providing concrete answers to people in their specific conditions of life, we can build. That's what I've been saying—we can construct an element of global coherence. That's why I said we have to act locally, while thinking globally.

I think, without a doubt, that the answers which we provide from here, have to be oriented towards a global solution of the problem, but at the same time providing concrete answers to the concrete needs here in the country.

That's why the new financial architecture domestically, which is exactly along the lines that Mr. LaRouche mentioned, is inspired not only on the issues Roosevelt initially proposed, but on later other U.S. financial experiences, such as Fannie Mae and Freddie Mac—all the conditions which allowed a promotion of productive investment in the United States, especially in the immediate post-war period. This will allow Ecuador to have answers based on production, the generation of employment, in the face of a development model which has been based on profiteering and financial speculation. If we can construct, along the way, if

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we can strengthen the internal capabilities of productive response, those conditions will allow us to protect ourselves and have a better answer in the face of the international crisis.

But that's not the end of the story. Our definition of the new *regional* financial architecture—which includes the Bank of the South—then we would be completely agreeable to support a scheme such as what Mr. LaRouche is proposing, and which will hopefully find support among the U.S. elite, to define a true framework of international cooperation, to leave behind the schemes of imperialism and the Cold War. I think that that will allow the creation of a new civilizing mechanism for all of humanity, of humanity as a whole, as a universal citizenry to provide real solutions which the market can not spontaneously resolve.

The Defects of Dollarization

Pillajo: In the complex scenario facing the world economy, and the U.S. economy, the dollarization of the U.S. monetary system itself is at risk, let alone our own monetary base. Economist Páez, what is to be done about this?

Páez: Part of what we are facing are the defects of dollarization, even before the crisis became evident. We've lost competitiveness: Changes in the labor market, changes in our ability to respond to international markets, the aggressive increase of imports and of conspicuous and luxury consumption among the middle and upper classes of the country, are part of a process of weakening of the produc-

tive apparatus, which is going to have extremely serious consequences.

What we're working on now, is to change the mechanisms for acting on economic policy, to be able to relaunch a new model of development, or rather a new regime of accumulation which will really define, in the new international context which is becoming more and more complicated, the real possibility for development.

What we are going to have to face immediately: Number 1, is the issue of remittances. If anything has allowed dollarization to remain in this current honeymoon for the last eight years, it has been the great effort of millions of Ecuadorians, who under extremely painful family circumstances, have broken their previous living conditions and have travelled abroad to send remittances.

The crisis and the recession in the United States, and in the central economies generally, is going to reduce the possibilities of employment for these compatriots of ours, and is going to make it more and more difficult for remittances of these quantities of money to come to their families. The prospects for employment are in doubt for these sectors. So this is a very important problem that the country has to start to face.

The second big problem has to do with the increase of prices that you were mentioning a moment ago. We have a situation internationally of price increases of raw materials, that to some degree have benefitted the country, but have a contradictory effect, because, especially on the food front, this is harming us greatly. The international recession can reduce that and thus have an ambiguous effect, especially because of the price of petroleum, which has also helped support this "honeymoon" that we've had with dollarization.

Third, there's a process which is also going to have ambiguous and a complicated impact on us, which is the weakening of the dollar internationally. Because, on the one hand, what we have is that in those areas where the dollar operates as legal tender, we have a devaluation. And this devaluation has come from outside, and it has allowed us to be able to respond better on the international markets. At the same time, we have a problem of price increases of our domestic production vis-à-vis the United States.

There is a reduction, beyond the policies of a particular government, there is a reduction of the weight of the United States in our international market. There is a very rapid increase of the importance of other markets, especially the European Union, but also other emerging economies, such as Russia, the Pacific Basin, which daily have a greater impact. So we have to locate that we're in a different, new moment of relations with the United States. It's also fundamental for the country to diversify its trade and financial objectives for the medium and long term, towards the Pacific Basin and towards relations with the South.

Dollar Collapse Made in London

Pillajo: Mr. LaRouche, the dollar is not only at risk in the United States or in Ecuador, but in the entire world.

LaRouche: That's deceptive, because first of all, the problem of the U.S. dollar is largely from what's happening in London and what's happening in Washington politically. The collapse of the dollar is largely presently orchestrated from London, and a government of the United States, headed by a man who is not very strong in his intellect, and who's very much under the control of the London financial crowd, is not defending the United States.

The good side of this thing, is that the United States is going to have to dump its own current policies in order to save the United States, and to save the world from a chain-reaction collapse. The important thing to recognize, that if the United States dollar goes down, *the entire world goes down, immediately*, that those who are hoping for the collapse of the dollar are insane. It reminds me of the 14th-Century New Dark Age. We have an insane President of the United States, and *because* of that, we have the opportunity—it is growing rapidly—of rejection of this political force *inside* the United States, coming from the mass of the people. And this is the reason for the massive pro-fascist operations against Hillary Clinton, for example. The presently ruling clique in the United States is afraid of the American people. We're in one of those situations where you're either going to get the equivalent of revolution, or you're going to get a collapse of civilization.

And this is quite feasible, it can be orchestrated. It's a longer question, but this is not an unfeasible solution: We can change it.

Pillajo: Mr. LaRouche, would you recommend that dollarized countries, like Ecuador, accelerate a process of de-dollarization, which has often been mentioned as a necessity for economies such as ours?

LaRouche: Well, right now, it's impractical to take that as a tactic. The United States is going through a crisis in which it will either defend itself, which means it must defend the relative value of the U.S. dollar [or not]. I could do that as President by establishing a two-tier credit system, as I indicated earlier.

The problem is that Ecuador right now is *trapped* in the dollar situation. And every inch of decline of the dollar hits Ecuador in a very serious way! Our interest is to have the U.S. dollar discipline itself, and go back to the Franklin Roosevelt orientation of relations with other states. Under those conditions, we can all work together and do fine.

The problem is, that this means making a virtual revolution, like back to Franklin Roosevelt. That is by no means as impossible as it may seem to many people today. We're in the type of world crisis, where exactly that can happen! I can't guarantee it. Like winning wars, it will not happen automati-

cally. It will happen, because intelligent people realize the *potential* for it to happen, and *cause* it to happen. And the opportunity is now, *in weeks!*

The Potential for a Truly Human Approach

Pillajo: Economist Páez, Ecuador's excessive dependence on oil, and also the remittances of migrants—which you mentioned before—are very sensitive issues in the current circumstances of the world economy. What is the government's "Plan B?" We would like our friends in the United States to know that the Ecuadorean government had a very broad meeting yesterday with businessmen, the productive sector, about how to revitalize the productive economy. What can be done as a "Plan B" in the face of the susceptibility to these two issues, the price of petroleum and remittances which sustain economic dollarization?

Páez: First of all, I think the kind of analysis that Mr. LaRouche has made is crucial, in terms of this being a civilizational crisis of extremely grave consequences, and the danger of a dark age which could last decades. This is a very real danger. But at the same time, the tension between what exists and the potential, has never been as important as it is today. That is to say, the possibility which humanity has to act reasonably, and unite progressive forces based on a truly human approach. This has been a tradition and a hope for millennia, to be able to generate a fraternal community, that this is right around the corner.

But at the same time, I think it is extremely important to understand the actual strength that the existing powers have to stop this from occurring. That is to say, there are very strong international as well as national interests that want to avoid such a change.

The meeting which we held yesterday with the business sector showed how easy it is to find points of agreement with the businessmen, beyond ideological fundamentalism and certain political extremism, which has dominated some of the business association's leadership, not recognizing the true needs of the business sector itself, of those who generate production and employment, in fact.

So, as soon as you can break the specific conditions which have existed in Ecuador for the last two or three decades, these cliques in the business sector who are more interested in political issues, and have been implementing a neoliberal policy, which is now an exhausted model: This shows the real potential that exists to join forces, as I mentioned a moment ago.

What are our options here? In fact, create a situation to relaunch productive activity which will benefit all Ecuadorians, and not just for the wallets of a few.

This can be done in the very short term. This depends on what answer comes from workers, from businessmen, from academics. Because we've had two or three decades of a business culture, which has been based on the imposition of this

polarizing speculative economy. We've got to shake this off, to be able to jointly face the new times.

If we don't do that, and if we don't do it fast, with the same urgency with which Mr. LaRouche is warning the world, we are not going to be able to have a healthy answer, and we'll have very painful circumstances in the country.

Pillajo: We need internal and regional allies. Do we have them?

Páez: We need to construct such alliances internally and

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abroad. We have to create what people like [Antonio] Gramsci posed about building a new historical bloc, in which relations among the different social classes, the way conflicts are solved, find a new approach.

The old approach, the old neoliberal approach of fostering the polarization of speculation and profiteering—society with this as a model can no longer function.

This is shown internally over the last few years in Ecuador, with the ongoing erosion of the institutions and the deligitimization of societal mechanisms that we've experienced, for example, with the rupture of the Constitutional order on various occasions. And similarly, internationally, with the chaos which has been created over the recent period and the impossibility of providing a solution, of processing these conflicts, in a civilized way.

Mr. LaRouche has mentioned that this revolution which should be carried out, is to change things, to return to the proposals of the New Deal which Roosevelt proposed. This implies to truly construct an international community with international legitimacy, with the possibility to construct peace based on the respect of the rights of others. Imperial imposition, imposition by force, can only take us to destruction.

And this is posed not only in terms of financial issues, which is what is most immediate, but also in terms of the direct annihilation through military means, or by the gravity of the ecological crisis which we're facing internationally.

'You Cannot Reform a Bankrupt System'

Pillajo: These are variables we have to take into account. Mr. LaRouche, you've talked about urgency, and that time has run out. You talk about a hyperbolic collapse of material production, which cannot be resolved with these monetary aggregate emissions, and that what they are doing is aggravating the crisis in the United States and globally. And you also talk about resorting to bankruptcy reorganization, as you did in your recent webcast, to save the United States. Does this not increase the fear and uncertainty, to talk about bankruptcy on a global scale?

LaRouche: No, you have to face it: Everyone is bankrupt. This is precisely the thing: Don't try to find a soft way within existing axioms. For example, look, the price of petroleum is now around \$100. That's a fourfold increase of the price of petroleum in the recent period. In contrast to that, in Saudi Arabia, the Saudis get about \$5 a barrel for the oil they put on tankers!

For example, the price of petroleum from Venezuela is a crucial factor at the moment, in South America. But you have to know, that the price of petroleum is not controlled by the United States, it's controlled by the Anglo-Dutch cartel, which runs it from London! Only a political breaking of the power of the cartel will free the nations to solve their own problems.

You cannot reform a bankrupt system. You have to put it through reorganization under proper authority.

If I were President of the United States now, with countries I know, we could solve many of these problems. The key thing is the willingness to face the truth of the situation and to act appropriately. What we have, is the advantage that the collapse of the system is destroying the credibility and the political authority of the people who are responsible for these policies. For example, within a month's period, the Governor of California, Schwarzenegger, his popularity collapsed by 7%.

The present world crisis is collapsing the political authority of the people responsible for these bad policies. There's an explosive tendency for revolt by the American people of the lower 80% of the family-income brackets. But as you know, in Ecuador and other countries in South America, it is leadership which is able to capture, and give a point, a spear-point, on the desire of the people for reform; that's the mechanism on making reforms.

For example, I have people in the United States in banking circles who believe that I'm right, who believe that the kind of reform that I propose to the United States is necessary. But the strength that I have to push this comes entirely from the lower 80% of family-income brackets.

Pillajo: Nonetheless, Mr. LaRouche, you have said that Hillary Clinton has taken a step forward. Are her statements sufficient to carry out this high-risk surgery which you have mentioned? Is Hillary Clinton an option to win this political leadership which you are talking about?



U.S. Immigration and Customs Enforcement

Ibero-American immigrants in the United States line up to face deportation. Ecuador's dollarized economy depends on the remittances that U.S. immigrants send back to their families, and the collapse of the dollar will have a huge impact on Ecuador's living standards.

LaRouche: It's too simple. She's moving in a good direction, and she's moving as a politician, and you know what that means. She's feeling her way in a certain direction. Her husband is one of the smartest politicians on the planet today. He's made mistakes in the past, but he's also got a good brain.

We have a political potential in motion in the United States, which is why she's being attacked! She's fighting a group, including the Mayor of New York, who is intended by people such as George Shultz—known to Ecuador—there's a present move to bring the crisis under control by establishing a Mussolini type of fascist government in the United States *under Mayor Bloomberg!* That's what the whole election is about. And therefore, the people who are behind this are trying to destroy her. This is like what put Hitler into power in Germany.

Pillajo: Economist Páez, is there clarity as to what the North-South relationship, especially, Ecuador-United States, should be, based on these political variables currently happening in the United States? Is there a strategy, both economically and politically, to define what the relationship should be with the current government of the United States, and the future government of the United States, to deal with the issues which have been under discussion?

Páez: Yes, we trust that there are elements, that there are lucid cadre in the United States, which will allow us to find

points of agreement, points of convergence, and allow us to carry out a good relationship in general, not only with Ecuador, but also have a better relationship between the United States and Latin America as a whole.

What has been mentioned here, among the efforts we're carrying out to chart the course of reforms of the new international financial architecture, this also requires a new framework for North-South relations.

Ecuador To Reopen Dialogue With the U.S.A.

Pillajo: But with the current government of the United States, are these issues raised?

Páez: This is a question of state policy, not government policy. I believe there must be many individuals who have a broader view, with a more open mind, in the state apparatus of the United States, which agree, for example, with the view Mr. LaRouche has now. I'm very happy to

find such positions, and I would hope that we would find in the U.S. elites an echo that would allow us to build bridges for a future better relationship. And Ecuador—this is part of the tasks I'm responsible for coordinating—Ecuador is preparing a proposal to reinstate dialogue with the United States.

Remember, it was not Ecuador, for example, which left the negotiating table for the Free Trade Agreement. We think that the imposition of a free-trade agreement on such asymmetric terms, as was being done in the previous negotiations, was totally harmful to the country, because it created a totally impossible situation for hundreds of thousands of working families, totally economically unviable under current market conditions.

We think it's fundamental to have a new type of relationship which locates the civilizational contribution which the United States has made, which generates new cooperation on cultural and technical levels; for example, better relations on the question of migrants, to avoid their abuse. Which allow the United States to once and for all resolve the requests for extradition of the corrupt bankers who are in Miami, for example. And that our people who are in the United States not be treated as illegals, as criminals. That there be much more equitable relations in investment, allowing real development. To allow us to jointly break this financial speculative system, which is based solely on financial issues, and does not create new better conditions for production.



Metropolitan Touring

Ecuador, Páez said, plans to break with neoliberal policy and go back to a policy of development and production. Here, a market in Ecuador.

All of these things are present, are on the table and being negotiated now with the United States. We think that they are going to be well received. There are already first indications of this new type of relationship with the United States, and I think they are going to be strengthened in the future. Along the way, we are going to be able to construct specific solutions to this very complex process of crisis, to resolve the crisis which we're facing.

Pillajo: Nonetheless, there's not a lot of enthusiasm when people talk about this new financial architecture, at least we haven't felt it here from the U.S. government. There's not much enthusiasm, it doesn't rally people. Rather, they're unhappy about it, because it sounds like Bolivarianism, 21st-Century socialism, Chavismo, and that's not exactly something the U.S. government agrees with.

Nonetheless, the government promotes this idea, and is promoting this new financial re-engineering, and yet we also want an extension of the Andean preferential trade agreement, which is preferable to subsidizing our producers, our business sector. Isn't this ambivalent? Aren't we trying to play two sides of the equation?

Páez: No, on the contrary, we're defining a tactical and strategic situation coherently. We're thinking of both the short and the long term, with the same principled view, the same human view, in terms of a universal citizenry. The treatment among governments, independent of the size of their economies, should be to treat each other as equals, as human beings, to build a different fraternal relationship.

The Ecuadorian position has always been one of openness

with the United States, and not of confrontation. But we will not allow this situation to define conditions of submission, of imposition, which attack the dignity of the people. Benito Juárez used to say: "Among men, as among nations, respect for the rights of others is peace." If that principle guides relations among all peoples internationally, I believe that the possibilities of solving this crisis, not only financially, I repeat, will have a happier outcome.

No Alternative to a Roosevelt-Type Approach

Pillajo: Mr. LaRouche: Are there any complementary measures to avoid this crash, this financial crash, which you say is now inevitable, but to lessen its

impact? What would the complementary measures be?

LaRouche: You have to eliminate the present system. You cannot survive under the present system. The question is simply, do we have the political combination internationally, in order to force this change to be made? If we cannot make this change within the weeks and months immediately ahead, the whole planet will go into a dark age. That is a fact: There are no alternatives to those two choices. We're on the brink of a dark age: You cannot compromise with a dark age. There are solutions, but they require a sudden change, back to a Roosevelt-type of approach. Otherwise, there is no solution.

Pillajo: So, the dollar has to be defended as the reference point of the world economy? You have talked about stopping foreclosures, and applying these measures more broadly to the U.S. economy. What other measures are required as an alternative, as a strategy?

LaRouche: We have to go exactly to Franklin Delano Roosevelt's approach and to pretend that Truman never existed. *Nothing else will work.* I know what's going on in the world markets, and we are headed toward international fascism—but that won't work either! Either we make that reform within the weeks and months ahead, *or we are already dead men walking!* This is the time; there are no longer rooms for compromise on that issue.

The dollar has lost, recently, 20% of its relative value on the world market. This has been orchestrated from London. London is conducting warfare against the United States, *bankers' warfare* against the United States, of the type that South

America is quite familiar with. They're out to destroy the United States.

If the United States decides to defend itself, it will go to Russia, China, and India for cooperation, and rally a group of nations to bring this thing to an end. If you get a number of major powers in the world to agree to change the system, *in order to save civilization itself*, then you can win. I see a willingness for that sort of thing from China and from other places. I have increasing support for this within the United States. It is possible to win. And as in war, there is no alternative to victory.

Pillajo: Very good. We are at the end of this double interview, this international contact. As a way of concluding, we would like to hear any ideas that may be pending, which may not have been stated by our guests in this almost 60 minutes of discussion. Let's begin with Mr. Páez, in summary, what can the country do, internally and internationally, in the current economic conjuncture?

Páez: Philosophers such as the German, Jürgen Habermas, have said that there is production not only of goods and services, but of goods and services and feelings. The sense of life, the sense of coexistence, is something fundamental which should not be taken as a given. It has to be produced and reproduced.

This erosion of the conditions of coexistence, this delegitimization of authorities, of laws, of conditions, of fraternity which have been built, are a real danger. The possibilities of saving what humanity has accumulated, what society has accumulated in this process of perfecting humanist ideas, the ideas of freedom, of equality, of fraternity, is now endangered. But at the same time, there are concrete conditions that need to be addressed, and objective factors which allow us to be optimistic about the future.

I think if the progressive forces, here and there, can agree around certain more lucid sectors, they can cooperate and carry out policies around these basic views which have been posed here, which go to the very heart of the system, to a radical change of the conditions of inequality and injustice which have prevailed until now. I think the concrete possibilities of solving this crisis are present here, and it is possible to construct a more just world.

We Need a Peace of Westphalia Concept

Pillajo: We would also like to ask Mr. LaRouche for a final word, a final message at this point.

LaRouche: We had a solution for a great crisis, which had been over 100 years of warfare, religious warfare and other warfare, during the 16th and 17th centuries. Then in 1648, the Peace of Westphalia was introduced, in which the Christian principle of the benefit of the others was adopted as the basis for peace. We need to have sovereign nation-states, because people cannot be free without the expression of their culture. But we must bind these nations together, by a commitment to

the benefit of the other nations.

Since the death of President Franklin Roosevelt, there's been an attempt to destroy this Peace of Westphalia concept. That concept is the greatest issue of the world today. We must have concern for the other nation, as the primary concern of each nation. Instead of bargaining *against* one another, we must cooperate *with* one another. We must go back to the concept of the Treaty of Westphalia. Then the forces for cooperation can come into full play.

Pillajo: Very good. Thank you very much, gentlemen.

Páez: Thank you very much; it's been a pleasure to converse with all of you. My greetings there to the United States. Dennis, Mr. LaRouche, an embrace.

Pillajo: Many thanks to Mr. Lyndon LaRouche, whom we have interviewed by phone from Washington, the former U.S. Presidential candidate. Thank you very much, and have a good day. To economist Pedro Páez, Minister for Economic Policy Coordination of this government, we also express our appreciation. And, as well, to Dennis Small, Latin American affairs coordinator for Mr. Lyndon LaRouche, who helped us with the simultaneous translation of this Quito-Washington dialogue. Gentlemen, to all of you, our thanks, and good day.

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