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## II. LaRouche's Curriculum for Presidents

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SO YOU WISH TO EDUCATE THE PRESIDENT?

# LaRouche's Unfinished War for a New World Economic Order

by Dennis Small

*The following is an edited transcription of a class delivered by the author to a LaRouche PAC audience in New York City on May 4, 2019.*

This class is part of a six-part class series, which is an integral part of our drive towards the Memorial for Lyndon LaRouche, which will be held on June 8th, and of our ongoing campaign for the exoneration of LaRouche. The connection is fairly straightforward. Exoneration, in fact, means to free up the population of the United States and the world to be able to consider for themselves, and judge and analyze the ideas of Lyndon LaRouche. Justice for the man, as we have said, means justice for his ideas; and that's what exoneration means.

The London *Times*, the voice as close to the heart of the enemy as one can imagine, being a spokesman for the British Empire, got around to writing about Mr. LaRouche six weeks after he passed away. I think that was for a variety of reasons. First, they were hoping that LaRouche's ideas and his movement would have disappeared and that they wouldn't have to be burdened with the obligation of having to write something to once again slander him and tell people why they shouldn't pay any attention whatsoever to this extremely unimportant man who threatened their very existence. But I



EIRNS/Ruben Cota Meza

*Ex-President of Mexico, López Portillo with Helga Zepp-LaRouche, at the Mexican Society of Geography and Statistics in Mexico City on December 1, 1998: "I congratulate Doña Helga for showing me the staircase . . . to the promised land.... It is now necessary for the world to listen to the wise words of Lyndon LaRouche."*

think the timing was also dictated in part by developments at that time inside the United States around President Trump and the fact that the whole Mueller-gate or Russia-gate scam was falling apart.

The British know very well that the issue of the thinking around LaRouche's ideas, especially as it relates to the Presidency of the United States, is a matter of existential concern for them. It's a matter of life and death, with the United States as part of a global concert of forces which jointly is capable of destroying the British Empire. Not separately; not even the United States alone can do that, as LaRouche made this point himself repeatedly.

So, what the London *Times* wrote, six weeks after the fact, was:

LaRouche's influence, such as it was, peaked during the first half of the 1980s after Ronald Reagan moved into the White House. LaRouche [became] . . . a vociferous supporter of the President's Star Wars defense program. . . . In 1982 he secured a meeting with Mexico's president, José López Portillo, although López Portillo apparently believed LaRouche represented the Democratic Party.

### The London Times Was Not Amused

Now, it's very interesting that the *Times* chose to mention those two supposed highlights of LaRouche's influence in the world. They're looking at the present situation through the eyes of what nearly happened to them back then, when LaRouche nearly succeeded on these two inter-related issues—the SDI issue and the New World Economic Order issue—both of which centered on LaRouche's relationship, not just with López Portillo, but also with Prime Minister Indira Gandhi of India, and emphatically, President Ronald Reagan of the United States.

In a [document](#) he wrote on February 15, 2000 [reprinted in this issue of *EIR*—ed.] about the reasons he was incarcerated, called "He's a Bad Guy, But We Can't Say Why," LaRouche wrote the following:

There were five publicly well-known issues behind [Henry] Kissinger's personal motives for targeting me for Justice Department dirty operations. . . . First, was the continuing political controversy between Kissinger and me over the issue of urgent reforms in the post-1971 international monetary system. . . . Second, was my launching of a public campaign, in February 1982, to overturn Kissinger's arms-control policies . . . which led to the March 23, 1983 announcement of a Strategic Defense Initiative (SDI) proposal to the Soviet government, by President Ronald Reagan. . . . The fifth issue was my authorship of a special report, *Operation Juárez*.

Now, what's the deal with LaRouche and López Portillo and *Operation Juárez*? Well, the two men met on May 27, 1982. Lyndon LaRouche met with then-sitting President José López Portillo on May 27, 1982 in the Presidential palace in Mexico, Los Pinos. What La-



Rouche laid out to him in that meeting was a political scenario and economic scenario and a philosophical outlook, in which LaRouche talked about the fact that a Dark Age was coming unless certain global policies were reversed. He urged López Portillo's government, then under attack by Wall Street and the City of London, to join with other countries in Ibero-America to form a debtors' cartel, or a debt club, to use the "debt bomb" to sink the British Empire. He urged López Portillo to take protective measures for the Mexican economy, such as establishing exchange controls, and to defend the peso in that way by not allowing free convertibility of the peso to the dollar. And he went on to say that the banks would have to be nationalized in Mexico, because otherwise they were in the hands of the same Wall Street and City of London enemies of Mexico. And he then laid out a perspective of the kind of great development projects in Mexico and among other allied nations of the area needed to build their way out of the economic crisis.

### López Portillo Shocked the World

Now that was May 27, 1982. On Sept. 1, 1982, in his annual State of the Union address, José López Portillo nationalized the banks. The way he did it was, there were only four or five people in his entire government who knew he was going to do that, which we were told afterwards—we weren't among those four or five people, but we were working very closely with one or two of those who were. López Portillo told them that he decided to do it. He sat down with them to

implement it. The night before, he deployed the Mexican Army to take control of the banks; because he knew that this was a *war measure* that had to be implemented.

That was Sept. 1st. On Oct. 1st, speaking before the United Nations General Assembly, José López Portillo gave a speech which was probably as close as we have come, until current developments around the Belt and Road Initiative, to actually establishing a New World Economic Order. What a number of people told us afterwards was, “Oh my God! That was the ghost of Lyndon LaRouche speaking before the United Nations General Assembly.” You’ll see why shortly.

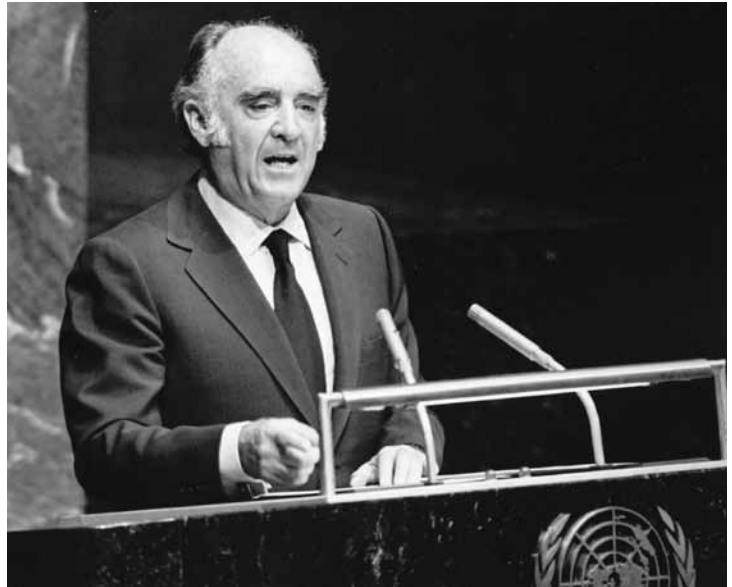
The relationship between LaRouche and López Portillo did not end there. This is the López Portillo who, as the London *Times* would have it, didn’t really know whom he was meeting with, of course! Years later, after he was out of the Presidency, as an ex-President, on Sept. 17, 1998, López Portillo gave an interview to *EIR* magazine in which he talked about his relationship with Lyndon LaRouche and how that had come about. He said:

As President, I had a relationship with Mr. L.H. LaRouche of respect for his solidly independent and tenacious ideological position, which I share in large measure, largely because of the adherence he had achieved from a group of young Mexicans, whom I equally respect and admire, who even had to endure accusations of belonging to the CIA, which turned out to be false.

What López Portillo is saying is that he started paying attention to LaRouche’s ideas because LaRouche had a youth movement. LaRouche was recruiting the best and the most nationalist and the most world citizens of Mexico’s brightest minds; and he was recruiting them to his ideas. López Portillo, after getting angry at first—which he did—said: “What the hell is going on here? Who *is* this guy who’s recruiting my best youth?” So, first lesson: If you wish to educate a President, build a youth movement.

### **LaRouche for President**

That wasn’t the end, by any means, of the relationship between LaRouche and López Portillo. In December 1999, López Portillo actually endorsed Lyndon LaRouche for President of the United States:



*Mexican President José López Portillo speaking to the UN General Assembly in New York City, October 1, 1982.*  
EIRNS/Philip Ulanowsky

In the battle for such a [New World Economic] Order, I would like to recognize the tireless and generous efforts carried out by Lyndon H. LaRouche, for whom I hope for the best as a pre-candidate for the Presidency of the U.S.A. I wish that his voice be listened to and followed by those in the world who have the grave responsibility of stopping this situation from continuing on its calamitous course, and I hope that his fellow U.S. citizens, who will elect their President in the coming elections, will give him their timely recognition and support.

I don’t know of any other case of an ex-President or an ex-Prime Minister—and there were many whom Lyn and Helga met, endorsing Lyndon LaRouche for President in that explicit way.

But then there was something additional; which was that on December 1, 1998, a little before López Portillo made the above statement, he actually met and spoke in public with Helga Zepp-LaRouche. Lyn was unable to travel at that time, but Helga certainly did; and she spoke at a public event in Mexico City with the ex-President of Mexico—who, incidentally, hardly ever spoke in public at all, anywhere, for any reason. But he agreed to come out to do that, and spoke publicly along with Helga. López Portillo said:

I congratulate Doña Helga for these words which

impressed me especially because first, they trapped me in the apocalypse, but then she showed me the staircase by which we can get to a promised land. Many thanks, Doña Helga. . . . and it is now necessary for the world to listen to the wise words of Lyndon LaRouche. Now it is through the voice of his wife, as we have had the privilege of hearing.

This type of relationship and demonstration of support for LaRouche’s ideas may strike us today as being quite extraordinary. But it really should not be.

This is what would be happening planet-wide were it not for the railroad of Lyndon LaRouche and a few others of us who went along for the ride. This was done to try to get LaRouche out of the way, get his ideas out of the way; and the fact that a cloud was hung around him and his ideas—it’s more than that, it was a strait-jacket put around the minds of the population so that they would not be allowed to think the way López Portillo did think.

### A Grand Design

We’re now going to look at the way LaRouche had a grand design, a strategic grand design that he was working on. This involved not just López Portillo; it also involved Indira Gandhi, and it also involved Ronald Reagan. It was a grand design LaRouche was orchestrating, not simply a relationship among those people and himself, with these three as heads of state, who therefore had certain powers in the existing political world. He was organizing and orchestrating this as it was intersecting a developing physical economic crisis, a strategic crisis that was going on at that time.

And he was going about it with the most advanced ideas imaginable.

What I’m going to use to give you an insight into the way LaRouche was thinking about the strategic situation, are three documents—a kind of trilogy of fundamental writings of Lyndon LaRouche from this period. The [first](#), dated July 26, 1981, is called “The Principles of Statecraft for Defining a New North-South Order.” The [second](#), written June 13, 1982, is “A Conceptual Outline of Modern Economic Science.” The [last](#) one, from August 1982, is *Operation Juárez*. Mind you, what I’m going to describe is only one part of the world where

Lyn was acting. This story can and should be told for Africa, for the Middle East, for Asia, and so on. This is part of the history of the last 50 years of LaRouche’s ideas, which is what we have to use to define the Earth’s next 50 years.

## I. The Paddock Plan

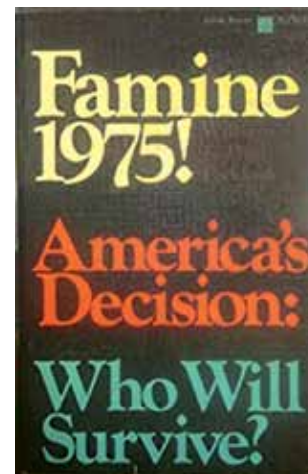
Let’s begin by setting the stage for what was going on politically at the time of this major intervention of LaRouche’s. There was a paradigm shift in the United States and globally, after the assassination of President John F. Kennedy in 1963. This was a paradigm shift

I.- The Paddock Plan

Date	Mexico/India/U.S.	LaRouche
1967	Paul and William Paddock publish <i>Famine - 1975!</i>	
1968	Paul Ehrlich publishes <i>The Population Bomb</i>	
1969	Club of Rome founded	
1972	Dennis Meadows publishes <i>The Limits to Growth</i>	
1975	Paddock: Depopulate Mexico by half; "seal the border and watch 'em scream"	
1976 (Nov 1)		National TV broadcast: The Paddock Plan is genocide
1978 (Aug 14)	PRM-41: No more Japans south of the border; seal the border	

away from an orientation towards physical economic growth, and towards Malthusianism, towards environmentalism, towards the idea that you cannot continue to have ongoing economic growth.

Two of the earliest organized spokesmen for this outlook were two brothers by the name of Paul and William Paddock. Paul Paddock was a State Department hack, who was deployed to Mexico, interestingly enough, during the 1930s and 1940s. His brother William became a little bit better known; he was an agronomist tied into the Rockefeller crowd. In 1967, Paul and Wil-



liam Paddock wrote a book called *Famine: 1975!* What that book said is that the world is running out of food; the population is growing too rapidly; and we're going to have famine in eight years, by 1975. The message is: Everybody tighten your belts. Anyone who wants to volunteer for suicide, line up on the right; and those who want to volunteer for being murdered, line up on the left. That way, we'll deal with the problem of lack of sufficient food.

Then in 1968, this thesis was popularized in a book by Paul Ehrlich called *The Population Bomb*. His argument is: "Many apparently brutal and heartless decisions will have to be made," to deal with the so-called overpopulation problem.

Shortly after that, in 1969, the Club of Rome was founded, which published a book written by Dennis Meadows and Jay Forrester called *The Limits to Growth*. It said what its title indicates: You cannot keep growing, so you better figure out how to cut back. Otherwise, you are going to use up all the planet's resources.

Then, in 1975, William Paddock went on a public campaign to argue in favor of what this Malthusian approach meant for Third World countries and their populations: Just kill 'em off. Paddock said: "The Mexican population must be reduced by half." Asked how to do that, he stated: "Seal the border and watch them scream." Asked how population would fall so drastically, he confided: "By the usual means—famine, war, and pestilence."

Paddock, mind you, was among the people guiding policy for the likes of Wall Street banker and State Department insider George Ball, and others, in and around the Carter Administration.

Ironically, directly contradicting all these Malthusian arguments, Norman Borlaug, the American agronomist who received the 1970 Nobel Peace Prize for his incredible work in developing strains of wheat, potatoes, and rice, was working largely in Mexico (also in India). He developed yields in wheat which in themselves completely dispel and destroy all of these Malthusian arguments. As **Figure 1** shows, there was a four-fold increase in yield in Mexico, India and Pakistan from 1950-2000, as a result of Borlaug's "Green Revolution." It is estimated that a billion people who otherwise would have died, were able to be fed. A billion!

This is the stage onto which LaRouche jumped into action. In 1975, Lyndon LaRouche was invited to Iraq by the Ba'ath Party, and upon his return he presented a [study](#) on how to reorganize the world financial system, called *How the International Development Bank Will*

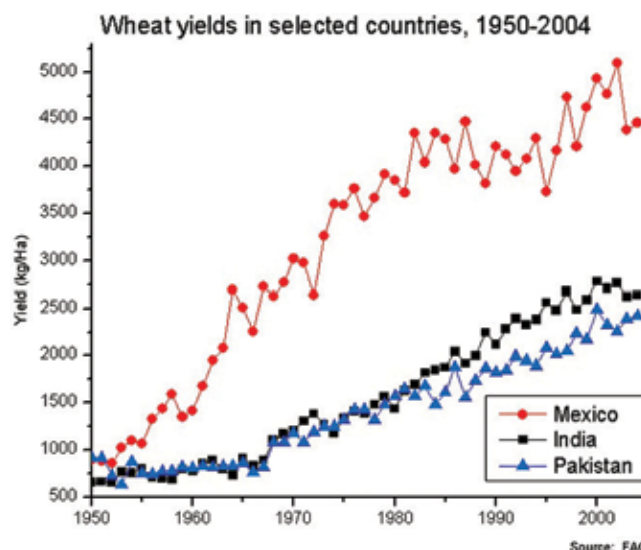
*Work*. Then in 1976, with Carter in the Presidency totally implementing the Malthusian policies which I have just described, *LaRouche acted*. He went on national TV as part of his Presidential campaign, and on November 1 he delivered a half-hour TV address which had an estimated viewership of 20 mil-



USAID/Ben Zinne

Norman Borlaug, in 2004.

FIGURE 1



lion people in the United States. What LaRouche did was, he took off the gloves against Paddock, against the Malthusians like George Ball. He charged that Ball was proposing to reduce our neighbor's population "by the methods used by Hitler in eliminating six million Jews, Slavs, and others in Europe during the war; by a forced, labor-intensive, slave labor system in which those who are no longer suitable for this process of slave labor will be allowed to die."

In 1978, the Malthusian genocidalists memorialized their policy in a document of the United States government called Presidential Review [Memorandum 41](#), *Review of U.S. Policies Toward Mexico*, dated August 14, 1978. It was prepared by Zbigniew Brzezinski as National Security Advisor. This was, and remains, a secret document, but from media leaks we know that

PRM-41 pushed Brzezinski’s oft-repeated line that “we will not tolerate another Japan south of the border,” i.e., no advanced industrial development for Mexico, and that options to “seal the border” were under review—the Paddock Plan.

## II. The Oil Giant Next Door

What happened next is that José López Portillo entered the Mexican Presidency on December 1, 1976 and his term ended six years later in 1982. Once in office, he quickly moved against IMF policies that he had previously supported as Finance Minister. And then on November 10, 1978, he made an announcement that shocked the world: He said that Mexico had just found oil which increased its oil reserves from 200 billion barrels to 380 billion barrels, almost a doubling in one announcement, thus making Mexico potentially the largest oil producer in the world. He also said that Mexico would “sow” its oil in order to “harvest” industrial and technological growth. We are going to use oil revenues, we are going to develop a capital goods industry, we are going to build infrastructure, and especially we are going to build 20 nuclear plants in Mexico by the year 2000 which will produce 70% of Mexico’s electricity, López Portillo announced.

Almost the second LaRouche heard about this, he jumped on the situation and *acted*. He saw something that I don’t know that anybody else saw. I can speak for myself and say that I certainly didn’t see what he saw. But I do remember that I briefed him on this over the telephone at the time the news was reported, noting that it was an amazing announcement. And on the spot he said, “No! It’s bigger than that. Here is what we’re going to do.” And he then laid out an entire idea, a full strategic perspective, which he may well have developed before he even knew of the oil finds, for all I knew.

Immediately, LaRouche said: Mexico is the oil giant next door. This is now the basis for establishing a model “North-South” relationship. We’re going to go all out with this idea of oil for technology. This is the way the United States will get out of this crisis. This is the way we destroy Malthusianism. This is the way we take over the Presidency of the United States, for the right policies.

II.- The Oil Giant Next Door		
Date	Mexico/India/U.S.	LaRouche
1978 (Nov 10)	<u>Mexico</u> : JLP announces giant new oil finds	
1978 (Nov 28)		EIR publishes “The Oil Giant Next Door”
1979 (Mar 9)		LaRouche visits Mexico
1979 (Mar 20)		National TV broadcast: Mexico, our \$100 billion neighbor
1979 (July 10)	<u>India</u> : Gandhi interview with EIR	
1980 (June 5)	<u>India</u> : Gandhi interview with EIR	

And so, on Nov. 28, 1978, we published an *EIR* cover [feature](#), “The Oil Giant Next Door,” which laid out LaRouche’s policy. By March 9, 1979, LaRouche was down in Mexico—his first of many visits to Mexico—invited for the celebration of the founding of the governing PRI party. What LaRouche presented publicly in Mexico was that the current policy in the United States of Jimmy Carter was a policy of genocide, and that this had to be changed. He said the United States had to support what the Mexican President was doing and go for this oil-for-technology type of approach.

### National TV Address

After that visit to Mexico, LaRouche returned to the United States, and three weeks later, on March 20, he gave another nationally televised TV address in which he laid out this policy of exchanging oil for technology, and said Mexico was a potential \$100 billion market for U.S. capital goods exports:

This means for the United States a potential of billions of dollars a year in new high-technology capital goods exports. But our government to date has refused to accept the Mexican offer. In fact, some representatives of our government have threatened the government of Mexico with destabilizing the country, and have held up the example of Iran, saying: ... We want to keep you poor. We want to keep you backward. We want your oil, but we don’t want to permit you to use your oil sales as a way of developing your agriculture, of developing your own industry. That is the Brzezinski policy. That is the Schlesinger policy. That is the Carter policy.



EIRNS/Stuart Lewis

Lyndon LaRouche (left) and Ronald Reagan confer at a candidates' forum in Concord, New Hampshire during the 1980 Presidential Campaign.

As you can well imagine, this was listened to, and listened to very carefully, in Mexico, and in fact, in every country around the world who heard this coming from the United States—and heard the voice of George Washington, the voice of Abraham Lincoln, the voice of Franklin Delano Roosevelt.

On July 10th, LaRouche introduced a whole new flank into this developing situation. He figured that the City of London and Wall Street would come up with a way to deal with the Mexico-U.S. question if he stuck only to that. So, in comes the voice of India—or, if you prefer, the voice of LaRouche through India.

EIR interviewed Prime Minister Indira Gandhi on July 10, 1979, and then did another [interview](#) with her a little less than a year later on June 5, 1980. In the first interview, what Gandhi laid out was the following:

The fact that in a country like India, without industry, you cannot have agriculture. And without industry, you cannot face the competition in the world or really remain truly independent, you are not economically independent, so you can't be politically independent.... I believe very strongly in modernizing the country.... What it really needs is for the whole country to have a more scientific and rational outlook.

So, all of sudden the British had to contend not just with Mexico, not just with the United States, but something coming in from a side that they didn't expect, from India.

That was 1980. We still had Carter in the White House. He was not exactly open to these ideas from LaRouche. But Ronald Reagan was elected President in November 1980, and he was.

### III. Memo to Reagan

Reagan was not perfect: he did not understand the whole strategic picture, by any means. But he had had, in the period of his campaign, early contact with representatives of the LaRouche movement. And in fact, Reagan sat next to LaRouche on the dais at a 1980 candidates' debate in Concord, New Hampshire, and they had the opportunity for a brief exchange.

So again, *LaRouche acted*. He moved on a situation where others did not see the potential, but he did. On Dec. 18, within weeks of Reagan's election, and before the president was inaugurated, LaRouche wrote a pri-

#### III.- Memo to Reagan

Date	Mexico/India/U.S.	LaRouche
1980 (Nov 4)	US: Reagan elected President	
1980 (Dec 18)		Private memo to Reagan on "oil for technology" deal with Mexico
1981 (Jan 5)	US-Mexico: Reagan-JLP meeting on border	
1981 (Jan 19)	Mexico-India: JLP visit to India	EIR publishes "The India JLP Will Find"
1981 (Mar 9)		LaRouche visits Mexico; gives speech at Monterrey Tec.
1981 (Mar 30)	US: Reagan shot by Hinckley; JLP Reagan summit Apr 27 postponed	
1981 (Apr 27)	India: plot to assassinate Gandhi exposed	

vate memorandum to Ronald Reagan and to his closest advisors where he laid out his idea for Reagan:

Forging an "oil for technology" partnership with Mexico is only the first step in linking the advanced sector and the underdeveloped nations in a policy of global industrialization. Such a principled U.S.-Mexican accord would set a precedent which virtually every developing nation will want to replicate.... The crisis-wracked Central American region could be stabilized in

the only way possible—by U.S.-Mexican collaboration to set in motion economic development projects in the region.

Then on Jan. 5, less than three weeks later, a meeting was held between Mexican President López Portillo and U.S. President-elect Ronald Reagan. As was traditional at the time, the two heads of state met on the border. We learned from people inside the Mexican government and people inside the Reagan camp, that the two heads of state talked about the need for establishing between them the principles of broader North-South cooperation. And in particular, López Portillo offered to Reagan the idea of pulling India on board to this project as a way of broadening the coalition, but also as a way of providing a solution to the international crisis which did not involve the kind of Jacobin radicalism of the Cubans, that otherwise had appeal in the South—and which the British themselves had orchestrated from the outset. That is what was proposed, and that is what the two leaders agreed upon.

On Jan. 19, two weeks later, López Portillo travelled to India for a previously scheduled state visit. And once again, *LaRouche acted*. We didn't just hope for the best for what might happen there. Rather, *LaRouche* commissioned the publication of a special report by *EIR*, which was called "The India that José López Portillo Will Find," that laid out the shared interest of the two countries in the industrial development of nations of the South, and the basis for a radical reform of the world financial system. We published it in English and in Spanish, before the trip, in time to get out both in India and to the entire Mexican government before they left for India.

### Mexico's India Outreach

That report was then handed out by the Mexican government to all the media traveling with them to India, and it then served as the basis for virtually *all* the press coverage coming from the Mexican media about that trip.

With this *LaRouche* orchestration going on in the wings, López Portillo toured India's advanced scientific and especially nuclear capabilities, and what he



Presidencia de la republica

*President López Portillo on January 9, 1980 in Mexico City. Three days later, he meets with President Ronald Reagan, proposing broader North-South cooperation, and proposes bringing India on board to broaden the coalition.*

told the press there was this: "[We need] the creation of a financial system that will allow real transfer of resources and technology to developing countries." And he added: "We are very optimistic at the attitude of friendship and respect expressed by Reagan towards Mexico."

So what was starting to come together was a combination that was working—*against the British Empire's policy of Malthusianism and financial looting*—among the United States Presidency, and two of the leading forces in the South, the governments of Mexico and India, all of whom were in dialogue with Lyndon LaRouche, who was providing the idea-content for the only way this political and economic war strategy could work. Any resemblance to current events is purely intentional.

After this López Portillo trip to India, *LaRouche* again went down to Mexico, and was invited to speak to the prestigious Monterrey Institute of Technology. And the speech he gave there on March 9 made direct reference to the upcoming heads of state meeting that Reagan and López Portillo had scheduled for April 27:

Shaping the outcome of the upcoming Reagan-López Portillo summit is precisely one of my objectives in coming here. An oil-for-technology agreement between the U.S. and Mexico would represent in principle the model for a new economic order in North-South relations.... There



would be a change in the global strategic geometry resulting chain-reaction fashion from the establishment of such a relationship.

Once back in the U.S., he repeated the same point to an all-day *EIR* seminar in Washington, D.C., which was attended by prominent figures around the Reagan administration, diplomats and others.

### President Reagan Was Shot

The British got the memo—and on March 30th,

IV.- The Road to Cancún		
Date	Mexico/India/U.S.	LaRouche
1981 (June 2)		LaRouche meets with Amb. John Gavin
1981 (June 8)	US-Mexico: Reagan-JLP summit in DC; agree on Cancún summit	
1981 (July 26)		LaRouche publishes <i>Principles of Statecraft for Cancún summit</i>
1981 (Oct 5)	US-Mexico-India: Cancún summit held	
1982 (Apr 23)		LaRouche visits India; meets with Gandhi
1982 (May 27)		LaRouche visits Mexico; meets with JLP
1982 (June 13)		LaRouche publishes <i>Conceptual Outline of Modern Economic Science</i>

Ronald Reagan was shot. He was meant to be assassinated, but fortunately he survived. One thing that it definitely accomplished, is that it postponed the planned summit meeting between Ronald Reagan and José López Portillo that was scheduled to occur on April 27.

What else happened on April 27th? An attempted assassination of Indira Gandhi failed on that day, when a plot to sabotage her plane was caught in time. They managed to assassinate her years later; and although they didn't kill López Portillo, they did engage in vicious character assassination to try to destroy his legacy, as of course, they did with Lyndon LaRouche.

Now, here's where we get into the meat of the issue. How did LaRouche address this strategic process? He presented to all sides the most advanced concepts required to actually forge, to cement, a lasting, working, new world economic order. He was going to destroy the British Empire, and you're not going to do that, unless you actually understand the underlying issues.

## IV. The Road to Cancún

On June 2, 1981, LaRouche had the opportunity to meet with John Gavin, who had just been named by Reagan as Ambassador to Mexico. Gavin was a personal friend of Reagan's; people may have heard that Reagan worked through his "kitchen cabinet," people who were close to him. He *really* didn't like the Eastern liberal Establishment, the inside-the-Beltway people. He tried to govern without them as best he could; they kept throwing people into his cabinet, and he kept throwing them out. They tried to get Kissinger in from the very beginning, but Reagan wouldn't have Kissinger until he was pressured and forced to do so in 1983, with the express purpose of countering LaRouche's influence in Washington.

John Gavin was an interesting fellow. His mother was Mexican, so he was fluent in Spanish. And he was a Hollywood actor—like Reagan. Before he went to Mexico to take up his assignment, Gavin had a lengthy sit-down with LaRouche for two-three hours to discuss the situation.

What happened after that, on June 8, is that Ronald Reagan and José López Portillo finally did have their summit meeting,

in Washington, D.C. on June 8. The British had tried to kill Reagan, but it didn't work. They tried, but failed, to stop the summit.

At the same time that LaRouche was working on the Mexico-India-U.S. economic angle, he had also



White House/Mary Anne Fackelman  
U.S. Ambassador to Mexico John Gavin (center left), with First Ladies Paloma Cordero of Mexico (left) and Nancy Reagan of the United States, surveying the damage done by the 1985 Mexico City earthquake.

presented his policy for global strategic cooperation of the United States and Soviet Union, a policy which later became known as Reagan's Strategic Defense Initiative (SDI). That, however, is the subject of another class; but it actually runs parallel to this. I would argue that the SDI and this North-South policy, which later was discussed in LaRouche's *Operation Juárez* paper, are actually the same underlying policy: the SDI and *Operation Juárez* are, in essence, the same policy.

The Reagan-López Portillo summit was held in Washington, D.C., and what López Portillo proposed to Reagan was the idea of holding the first ever North-South meeting, to discuss a solution to the global economic crisis. López Portillo offered to host the event in Cancún, Mexico. Ronald Reagan accepted.

The toasts that the two heads of state made to each other at their Washington summit are quite interesting. López Portillo's said: "Ours is the most significant relationship between the North and the South. I believe that in Cancún, we shall have the ability to say that it is possible, we have discussed the philosophy and theory of economic development."

### Reagan and López Portillo

Ronald Reagan's toast to López Portillo included: "We need to strengthen the economies of the lesser developed nations to bring about social and economic developments of their peoples."

Again, Wall Street and the City of London got the message. They launched all-out economic warfare on Mexico. Interest rates were raised to 22%; Mexico's foreign debt became absolutely unpayable (talk about a "debt trap"); there was massive capital flight leaving the country. López Portillo responded with a famous speech for which he was later ridiculed—a lot like the way President Trump today gets ridiculed for some of the more insightful things he says. López Portillo denounced the existence of "an international conspiracy" to destroy the Mexican economy, by stampeding massive capital flight out of the country. He stated he would not submit to the blackmail, and that would "fight like a dog to maintain a stable peso."



EIRNS/Stuart Lewis

*Mexican President López Portillo is welcomed to Washington, D.C. on June 9, 1981 by President Ronald Reagan for a bilateral summit.*

Lyndon LaRouche intervened, writing an [article](#) outlining the necessary defensive steps that Mexico had to take:

The actions of the Federal Reserve leave nations wishing to avoid the looming new depression no alternative but to institute exchange controls ... Therefore, nations which choose not to join Federal Reserve Chairman Paul A. Volcker's pack of Friedmanite lemmings over the cliff, are obliged to take virtual economic-warfare measures to defend their nations from the consequences of Federal Reserve System madness ... Exchange controls ... permit nations to provide credit at lower borrowing costs, probably between 6 and 8 percent, for essential domestic borrowing, but to ensure that funds borrowed in this way do not flow out, directly or indirectly, to high-priced money markets such as those of London or New York City.

Granted, such procedures incur bureaucratic measures. It requires that no money transfers can leave a nation in excess of small personal amounts, except that that transfer bear a number identifying a license for such transfer... It requires that all incoming deposits be registered and controlled... To make such controls efficient, various degrees of painful penalties, in-

cluding substantial presumptive prison sentences and fines, are imposed for violators. . . . There is no other choice. Bureaucratic, painful, “repressive,” or not, such measures are demanded under the conditions created by the madmen of the Fed.

To make clear the needed positive—rather than merely defensive—measures, LaRouche wrote a document on July 26th, 1981, called “The Principles of Statecraft for Defining a New ‘North-South’ Order.” His foreword stated his intention: “This report has been prepared chiefly to provide needed background knowledge for members and advisors of governments participating in the scheduled October 1981 ‘North-South’ conference in Cancún, Mexico.”

His conclusion of the document was a program to be adopted by the 22 heads of state meeting in Cancún. It was a detailed program of action: Hamiltonian economics, the American System, exchange controls, debtors’ cartel, joint development.

### **Cancún North-South Conference**

The other 70 pages were filled with an in-depth conceptual discussion addressed to the 22 heads of state and their advisers who met in Cancún, including López Portillo, Indira Gandhi, Ronald Reagan, Chadli Bendjedid of Algeria, Ferdinand Marcos (Philippines), Zhao Zhiyang (China), Forbes Burnham (Guyana), Margaret Thatcher (United Kingdom), François Mitterrand (France), and others.

He first presented one of the central concepts of his breakthrough in physical economy:

The relative power of a culture to provide the development of its individual members is delimited by what we shall explain as its potential relative population-density. . . . If the population exceeds the potential relative population-density of such a fixed culture, there must be periodic genocidal catastrophes resulting from refusal to change the culture from a “traditional mode.”

He then turned to discuss the moral basis of economic science:

Let us now embark upon what may be to some the most exciting mental excursion of explora-

tion they have experienced to date. Let us show not only from whence economic science actually originates, a far different origin than they might have presumed, but show also that a scientific knowledge is efficiently and usefully subsumed by the authority of an economic science defined in this way.

The beginning of morality for any person is a reflection upon the certainty that his or her life is but an ephemeral moment of mortal existence, a tiny speck in the width and duration of even the course of human existence, and smaller yet with respect to the universe as a whole. . . .

To impart to an ephemeral, mortal existence some worth beyond the grave, it is indispensable that the practical consequences of that life’s self-development and practice be efficient in a width and duration of existence far extended beyond the width and duration of that mortal existence in and of itself. There must be a shift in the individual’s definition of self-interest, away from the infantile, hedonistic standards of gratification of the individual mortal self, to a self-interested defense of the higher worth of the individual life, the defense of the good which that life leaves behind it.

Each act by the individual is an act upon a lawfully ordered universe. That universe, by virtue of its lawful composition, reacts to the action upon it, generating ripples of consequence throughout the width and duration of present and time to come. Each act is defined not merely by its most immediate and narrowly defined consequences. Each act generates a long chain of successive consequences, in the same sense as laws enacted by legislatures, or by the shaping of a nation’s character for a period by election of a prince, a president, or a prime minister. Each act is characterized, therefore, by an associated generative principle, a principle which, as a notion, defines the ordered succession of chain-reaction ripples extended outward from the action itself. Each act by an individual is in that way akin to the act of a legislature, in that it “legislates” a definite chain of consequences. The character of that chain of consequences, in respect to the cumulative effects in width and duration of present

and time to come, is the true character of the individual action.

### An Immortal Purpose

Keep in mind the individual actions taken by Lyndon LaRouche at specific points in this unfolding, global strategic grand design. This, he stated, is the moral basis for the development of economic science.

The Cancún summit was held on Oct. 5th. They did not come to any resolution. No final communiqué was issued. Following it, the financial warfare against Mexico continued, and escalated dramatically in early 1982. There was huge capital flight, \$64 billion was sucked out of the country within weeks; and the government of López Portillo had to implement a 28% devaluation. In March 1982, Lyndon LaRouche issued a [warning](#) to Mexico and Mexicans about this, which proved truly prescient:

With the developments of recent weeks, all the preconditions for a 1983 destruction of the Republic of Mexico have been successfully emplaced. . . . What must be tested is whether the institutional system of Mexico, centered in the election-reform-undermined PRI, still has the subjective capacity to undertake the kind of leadership required? . . . My warning and recommendations have been correct on every critical point. . . . Monstrous strategic crises [are] now scheduled to begin to erupt by no later than the April-May period of this present year.

On April 2, the British triggered a war with Argentina over the Malvinas Islands. This had nothing to do with Argentina, or the Malvinas, per se; it was to establish—as LaRouche, and LaRouche alone, said at the time—the precedent for NATO out-of-area deployments to collect debt. At that point, through LaRouche’s intervention, we came *very close* to getting the Reagan Administration, on the basis of the Monroe Doctrine, to throw the British out of our hemisphere and allow a sovereign nation-state to defend itself. Unfortunately, LaRouche’s ideas, although very much considered by Reagan, did not prevail, and those of then Secretary of State Al Haig and others did.



PTI/Courtesy DPR Defence

*In April 1982, Lyndon LaRouche and Helga Zepp-LaRouche met for the first time with Indira Gandhi, Prime Minister of India. Shown here, Indira Gandhi with folk dancers during Republic Day, 1968.*

### Indira Gandhi

Later that month, on April 23, *LaRouche acted again*, traveling to India where he met with Indira Gandhi. This was his and his wife Helga’s first of two meetings with Gandhi, and he gave a very important speech there on North-South relations. One month later, the LaRouches traveled to Mexico, where they met with López Portillo on May 27. In other words, LaRouche met with the heads of state of India and Mexico within a period of a month, to discuss how to replace the bankrupt international financial system with a just New World Economic Order.

After his 40-minute meeting with the Mexican President, LaRouche was invited to address the gathered media at the Presidential palace, where he told them:

Were Mexico to collapse, the next country to be destroyed would be mine. . . . [This is] a problem which cannot be resolved by each nation alone, but requires that there be a unity among all, providing external support from those countries who are friends. . . . This alliance should also embrace India, the countries of Europe, and the non-aligned, since only a bloc of forces of that size could succeed.

*LaRouche acted again*, and on June 13, scarcely two

weeks after meeting with López Portillo, he wrote a document called, “A Conceptual Outline of Modern Economic Science.” I want to emphasize that LaRouche was not only a profound writer, he was not only a prolific writer, he was also a fast writer. He would often write his documents, two, three, four, five, six times over again, till he got them right. His concentration span was unbelievable. And I think that is because he was a man on a mission, who knew what he had to do. He had the sense of identity which he described in his *Principles of Statecraft* piece: You have to view yourself, your mortality as a mere speck in the universe; but your actual existence is as someone that is unleashing a chain of events that is affecting the entirety of the universe after you.

LaRouche’s Preface explained the purpose of this “Conceptual Outline of Modern Economic Science”:

Lyndon H. LaRouche, Jr. wrote the enclosed pages in “gratitude for the hospitality” he enjoyed during a recent fortnight’s trip to India and a somewhat shorter visit to Mexico. “This seemed the best choice of something in written form which would be useful both to patriotic circles of economists in those nations as well as usefully informative for persons in governmental and managerial positions. . . . It is my intent to help to foster in those countries nationalist institutions in work of economic science.”

LaRouche first explained the branching point facing humanity:

The transformation in general policy . . . which appears to be in ascendancy at this moment, is the unleashing of Hobbesian man, the irrational hedonist, each in war against all. Such cultivation of the basest potentialities of the human individual is leading civilization into lunatic irrationalism and into a state of chaos creating chaos. This is the development impelling civilization to the brink of thermonuclear war.

The other is the demand for a return to rationalism of the sort exemplified by the work of Leibniz . . . the current which created the Federal constitutional republic of the U.S. under President George Washington. . . . We have no acceptable moral choice but to create new institutions,



EIRNS/Uwe Parpart

*In their second visit to India, the LaRouches met with Dr. H.K. Jain, director of the Indian Agricultural Research Institute on July 15, 1982.*

new policies in accord with the best to which rational study of the lessons of our species’ historical existence can guide us.

### Potential Relative Population Density

LaRouche then took up the central concept of Potential Relative Population Density:

The metric we require is, in first approximation, the potential relative population density of society; given the relative quality of man-improved and man-depleted terrain, how many average persons can be sustained per square mile by means of solely the labor of the population inhabiting all of the land occupied by a definite society? . . .

Increases in potential relative population density and injections of more advanced technologies to effect advances in the productive powers of labor, are two facets of the same action. This progress is not merely available, it is obligatory. . . . If, therefore, a society continues in any fixed mode of range of technology, it must deplete the natural resources available for cheaper exploitation in that mode, and so lower the potential relative population-density of society.

He explained the consequences of adopting the Malthusian view of man and the universe:

As the potential relative population-density reaches the point of decline this potential falls

below the existing level of population, the genocidal logic of famine, epidemic disease, pestilences, and homicidal squabbling over crusts of food brings the culture into collapse. Technological progress is mandatory, not optional. Technological progress overcomes the apparent limits of natural resources. . . .

If we follow this line of investigation through adequately, we quickly demonstrate in that way, the monstrous consequences of any of the currently popularized versions of Malthusian policies. We are forewarned what hideous conse-

transforms itself, by transforming thus the mode in which it changes itself.

## V. Operation Juárez

After this “Conceptual Outline” piece, on July 7, 1982 LaRouche was invited back to Mexico. He had just been there in May, speaking to López Portillo. But he was invited back, and although he did not meet with López Portillo again, he did speak with people very close to the Mexican President. They asked him to express his approach to the situation in writing, evidently wanting it accurately conveyed for the President.

LaRouche responded with *Operation Juárez*, published on Aug. 2, 1982. The [document](#) was circulated in private first, for consideration of the López Portillo Administration, and we then got it out generally. I will not review the full content of *Operation Juárez*, which, again, is all about potential relative population density, the role of man’s creativity in bringing about the leaps in potential relative population density. LaRouche also laid out a detailed program of action: use the “debt bomb”; develop a common market; create

V.- Operation Juárez

Date	Mexico/India/U.S.	LaRouche
1982 (July 7)		LaRouche visits Mexico
1982 (July 29)	US-India: Reagan-Gandhi summit in DC	
1982 (Aug 2)		LaRouche publishes <i>Operation Juárez</i>
1982 (Sept 1)	Mexico: JLP imposes exchange controls, nationalizes banks	
1982 (Oct 1)	Mexico: JLP speech to United Nations	
1983 (July 13)		LaRouche visits India, meets with Gandhi
1984 (Oct 31)	India: Gandhi assassinated	

quences await civilization unless all Malthusian thinking is immediately extirpated from policy-influencing.

And LaRouche then presented the contrary, conceptual core of economic science:

It is only by increasing willfully man’s power to increase society’s potential relative population density, that man demonstrates a willful increase in mankind’s per capita power over the lawful ordering of the universe. . . .

Mankind masters the universe by technological advances in society’s power which replicate such negentropy. This power is obtained by applying the hypothesis-generating powers of the human mind to discovery of the lawful ordering of nature, situating that inquiry in terms of reference of increasing man’s potential relative population density. . . . Man becomes thus, implicitly, the higher form of organization within the universe through which the universe as a whole

a new world economic order.

He wrote that he was sending the document for consideration, along with two other companion documents that must be studied in conjunction with it: “A Conceptual Outline of Modern Economic Science”; and a study on [history](#), “The Toynbee Factor in British Grand Strategy.”

That was Aug. 2. What happened next? On Sept. 1, 1982, López Portillo delivered his last State of the Union address. In it he announced that he had just nationalized the private banks of Mexico, done the same with the central bank, and imposed exchange controls. He sent the military to the banks the night before to make sure none of the old owners were able to enter and destroy evidence, having told only a handful of his closest collaborators about his plan, because he didn’t want any leaks. The next morning when the bankers arrived, they were told, “Sorry, you don’t own these banks anymore. They belong to the nation.” In other words, in his Sept. 1 speech, López Portillo announced *part* of *Operation Juárez*. It should not be overstated: He didn’t go with the whole thing; he went with part.

One of the reasons for that, is that he had done what LaRouche had suggested. LaRouche urged López Portillo to get India on board, and to also talk to the governments of Argentina and Brazil about forming a debtors' cartel, because they were going through the same thing. We learned afterward that the Mexican President did just that. He talked to the Argentines, and he talked to the Brazilians. And the Argentines told him, "No. Sorry. We think that we'll be better off by not joining you"—and what they got in response, was the aftermath of the Malvinas War, for which the British never forgave them. (So much for striking a deal with the Devil.) The Brazilians—because their guiding geopolitical light was Henry Kissinger—were seduced by the mellifluous tones of Kissinger and the British, and said: "No, no. We've been assured that we can strike a better separate deal bilaterally. So we're not going to join you."

### George Shultz

So, López Portillo was left alone, to either do it, or not. And he did it. He announced the nationalization of the banks, he announced exchange controls, he announced that Mexico was taking control of its central bank.

On September 30, later that month U.S. Secretary of State George Shultz spoke before the United Nations General Assembly, and perhaps fearing what was about to happen next and aware of what was afoot around the world, Shultz said:

Immediate debt problems are manageable if we use good sense and avoid destabilizing actions, but the magnitude of external debt will almost inevitably reduce resources available for future lending for development purposes. Economic adjustment is imperative, and the International Monetary Fund can provide critical help and guidance.

In other words: Don't even *think* of trying to break out of the system!

The next day, Oct. 1, José López Portillo took to the podium at the UN General Assembly, and delivered a [speech](#) that is quite historic, which included the following excerpts:

But the most constant concern and activity of Mexico in the international arena, is the transition to a New Economic Order... We have in-



EIRNS/Stuart Lewis

*Henry Kissinger*

sisted that the entire gamut of economic and social relations of the developing countries and the industrialized world, must be transformed. The reduction of available credit for developing countries has serious consequences, not only for them, but also for production and employment in the industrial world. Let us not continue in this vicious circle. It could be the beginning of a new medieval dark age, without the possibility of a Renaissance.

A third threat thus takes shape. I am referring to the grave problem of the collapse of the international financial system. As everyone knows, recently, various highly indebted countries, among them Mexico, have had to initiate a process of renegotiation of their foreign debt. We countries of the South are about to run out of playing chips, and were we not able to stay in the game, it would end in defeat for everyone!

I want to be emphatic: We countries of the South have not sinned against the world economy. Our efforts to grow, in order to conquer hunger, disease, ignorance, and dependency, have not caused the international crisis.

After major corrective efforts in economic affairs, my government decided to attack the evil at its root and to extirpate it once and for all. There was obviously an inconsistency between internal development policies and an erratic and restrictive international financial structure. A reasonable growth policy was irreconcilable with freedom to speculate in foreign exchange. That is why we established exchange controls.

Given our 3,000 km border with the United

States, exchange controls can only function through a banking system that follows the policies of its country and government, and not its own speculative interests and the fluctuations of international financial chaos. That is why we nationalized the banks.

We have been a living example of what occurs when an enormous, volatile, and speculative mass of capital goes all over the world in search of high interest rates, tax havens, and supposed political and exchange stability. It decapitalizes entire countries and leaves destruction in its wake. The world should be able to control this; it is inconceivable that we cannot find a formula that, without limiting necessary movements and flows, would permit regulation of a phenomenon that damages everyone. It is imperative that the New International Economic Order establish a link between refinancing the development of the developing countries that suffer capital flight, and the capital that has fled. At least they should get the crumbs from their own bread. . . .

These are cases of legitimate defense. Never has the principle of sovereignty over natural resources and over economic processes had more validity than today. The terms of the perverse relations we suffer could lead to the dissolution of sovereignty itself. . . .

We cannot fail. There is cause to be alarmist. Not only the heritage of civilization is at stake, but also the very survival of our children, of future generations and of the human species.

Let us make what is reasonable possible. Let us recall the tragic conditions in which we created this Organization, and the hopes that were placed in it. The place is here, and the time is now.

### **The Force of LaRouche**

You can see from this speech why there was absolute panic from the British Empire, and why they



*Indira Gandhi*

viewed this as the ghost of Lyndon LaRouche speaking before the United Nations.

After López Portillo was out of the Presidency at the end of 1982, his enemies engaged in character assassination of a sort which we are seeing today, and have seen against LaRouche. Indira Gandhi suffered a more bloody fate, felled by an assassin on October 31, 1984. Lyndon and Helga LaRouche had met with her for a second time a little over a year earlier, on July 13, 1983. Lyndon LaRouche reflected back on that meeting, and his relationship with the Indian Prime Minister, in [eulogizing](#) her after her death:

Helga and I met with her in her office during both of our visits to India, in 1982 and in 1983. On both these occasions, I encouraged her to concentrate on developing her personal contact with President Reagan. When I brought this up with her the first time, she nodded. She had met the President briefly during the Cancún summit and had liked him; but, she complained, those bureaucratic watch-dogs had broken up their discussion barely as it started. She said she wished an opportunity to discuss matters privately with him at greater length; I promised I would do my best to impart her view to relevant circles in Washington.

Quite naturally, we returned to the same subject during our 1983 meeting. . . . We concentrated on serious matters. Mrs. Gandhi was a true friend of the United States, as her father, Prime Minister Jawaharlal Nehru, had been before her. This was her policy, despite the numerous abuses India [suffered?]

I have met numerous influential figures, many of whom I have liked personally, but Mrs. Gandhi was in a class of her own. I say this not merely out of my great sorrow; this was my stated estimation of her, in private and in print, while she was alive.



## VI. Postscript

LaRouche’s war for a just New World Economic Order did not achieve victory in the early 1980s; it is an unfinished war that must still be won. In writing about this years later, in his Feb. 15, 2000 piece, “He’s a Bad Guy But We Can’t Say Why,” LaRouche reported:

*Operation Juárez* set forth a proposed U.S.

llo from continuing to respond to the crisis in the manner outlined in *Operation Juárez*.

President López Portillo’s courage and commitment to LaRouche’s ideas remained intact over decades, even after he was out of office. On Nov. 2, 2002, on the occasion of LaRouche’s visit to Saltillo, Mexico to speak to a new generation of Mexican youth being schooled in his ideas, ex-President López Portillo and Lyndon LaRouche spoke by phone and revived their old friendship.

López Portillo not only retained his courage; his sense of humor was also intact. In a Sept. 9, 2002, interview with *Excélsior* on the anniversary of his nationalization of the banks, he had the following exchange with the reporter:

**Reporter:** Is it difficult to recover the banks?

**López Portillo:** Of course.

**Reporter:** But, how can they be recovered?

**López Portillo:** With a new expropriation.

**Reporter:** But we don’t have a nationalist President, as when you expropriated the banks in 1982. How can it be done now?

**López Portillo:** With balls, my friend. From that standpoint, I believe I was [a nationalist].

### VI.- Postscript

Date	Mexico/India/U.S.	LaRouche
1998 (Sept 17)	Mexico: JLP interview with EIR	
1998 (Dec 1)		Helga Zepp-LaRouche visits Mexico; joint seminar with JLP
1999 (Nov 16)	Mexico: JLP backs LaRouche for President	
2002 (Nov 2)		LaRouche visits Mexico, speaks with JLP by phone

policy for dealing with what I had foreseen, since Spring 1982, as an impending Mexico debt-crisis, to be expected no later than September 1982. The crisis exploded mere days following the initial publication of that report. During the period immediately following, Kissinger was heavily deployed into Mexico, with U.S. government backing, in the effort to prevent Mexico’s government of President López Porti-



EIRNS/Fabiola Ramirez

Mexican youth in dialogue with Lyndon LaRouche during a March 2004 visit to Monterrey, Mexico.