

Cooperate on Large-Scale Infrastructure Projects

U.S. Presidential pre-candidate Lyndon LaRouche was interviewed by Orlando Supelano of Radio Todelar, of Bogotá, on Aug. 22. The interview was aired on Sept. 1.

Radio Todelar: With regard to the situation of the world economy, what truth is there in the reports of a collapse of the world financial system?

LaRouche: Well, this monetary financial system, in its present form, is doomed. But there's a certain flexibility in the way a collapse is actually officially declared. We cannot say whether it's this week, next week, one or two months from now, but what we can say, is that there's no possibility of a recovery from this collapse under the present international monetary system.

Radio Todelar: With regard to the international banking institutions, including the multilateral institutions such as the IMF [International Monetary Fund], which have such a surprising amount of power and have contributed to the deterioration of the economic situation in countries such as Argentina, Brazil, Ecuador, and Mexico: How can we guarantee a different approach? How do we make the economy more coherent?

LaRouche: Well, this means we're going to have to change the situation inside the United States. Because over the past 20 years, we've seen what's happened to the loss of independence of all of these countries in Central and South America. And the tendency toward unity which existed 20 years ago, no longer exists. We're trying to deal with that, of course, but it's not an easy job.

What I'm concentrating on, is the possibility of turning the policy of the United States itself, in which case, I think, at this point, we would get a new monetary system out of that. There's now a race between the general spreading war in Asia, with the United States involved, and a full-scale financial collapse in the United States. The war would be a disaster, but it would not save the United States from collapse.

So, there's a very rapid change going on in the past two months inside the United States. I can't say what the result will be. I'm saying some of us are working very hard, with more numbers involved all the time, to try to change the situation.

On this circumstance, my effort and my view is that I'm trying to foster cooperation among circles in the Americas,

so that we are prepared to act as soon as the situation moves in our favor.

Radio Todelar: I have a question about recent developments in the U.S. economy, the scandals around the collapse of Enron and WorldCom. Are these developments a sign or warning, an alarm bell ringing to warn us of a generalized collapse?

LaRouche: This is part of a generalized collapse: Look, for example, at the railroads and the airlines. This is by no means confined to a few large telecommunications companies. The only way we'll get out of this, is by going to Franklin Roosevelt-style recovery measures.

What I will be mobilizing for, right after Labor Day, this coming week, is a national campaign to force the Bush Administration to recognize that it must launch a reconstruction/rebuilding program. Right now we have to save the railroads—otherwise, we don't have a national economy. We must not allow a catastrophic collapse of the airline industry. Then we have to go into areas of infrastructure such as power, water management, public health, and education, which is the same thing that we require in every country south of the U.S. border. So, my objective would be an international—especially in the Americas—cooperation on large-scale infrastructure projects to rebuild the economy.

Radio Todelar: What are the possibilities of pushing Bush at this point on that? Also, what about the idea of calling a summit meeting internationally to reorganize the world financial system?

LaRouche: Well, we could do that. Those kinds of conferences could be held now. There are various vehicles—private association meetings, informal meetings, formal meetings, government groups discussing it, etc. The discussion and mobilization of people, politically and otherwise, is extremely important.

Frankly, I don't think that George Bush could understand any of this. But I think the institutions of the U.S. Presidency can be mobilized to recognize what needs to be done, and they can persuade the President to say the right thing.

Radio Todelar: Mr. LaRouche, various people, including President [Eduardo] Duhalde of Argentina, have noted that the current neo-liberal model is simply not functioning. What is the correct model for economic development, in your view?

LaRouche: The American System, as defined by people such as Alexander Hamilton, the Careys, Friedrich List, and Franklin Roosevelt. What we require is a system like that which existed in the Americas between 1946 and 1964: fixed exchange rates, gold-reserve based, protectionist—that is, protectionist agreements among sovereign nations. And then the creation of large-scale credit at low prices for long terms, to enable the system to work—such as for highways, communication systems, water management systems, things of that sort.

Radio Todelar: With regard to the Free Trade Area of the Americas—which is a proposal which has been formally signed onto by all the Presidents of the Americas, and which is moving forward somewhat, with some problems and so on—is the Free Trade Area of the Americas a policy that should be followed? Should it be stopped, slowed down? What should be done?

LaRouche: It should be stopped, because there's no possibility of an economic recovery in the Americas if such an agreement were adopted. Because, a recovery requires long-term agreements which are protectionist in character. If you drive prices down to the lowest level, as is being done now, no industry or agricultural sector can engage in the necessary capital formation.

The function of national protectionism is to permit the accumulation of long-term productive capital. Without that, there's no possibility of a recovery.

Radio Todelar: How do you view the European situation in light of this? They created their own currency, the euro, but on the other hand, they've had to renounce their own national control over monetary policies. Is this a policy that would work?

LaRouche: The Europeans are dumping this now. Italy has made a move to go back to protectionist reconstruction methods. And I've had a significant hand in Italy in promoting that there. In Germany, the Schröder Social Democratic government has said it has no intention, at the present time, to support the United States in a war against Iraq. He's committed to full-scale reconstruction on the basis of the recent floods, and has a reconstruction program through financial institutions. And he's determined to go back to a pro-industrial, rather than a service economy, orientation.

Under the present conditions, the Maastricht agreements cannot continue to exist. The euro may remain a currency, or denomination of convenience, but Europe is going back in the direction of reestablishing independent sovereign states which cooperate with one another.

Radio Todelar: With regard to Colombia, on the economic side, how do you view the situation?

LaRouche: Well, we've got some internal requirements for Colombia, but this depends largely on the fact that the productive sector of the Colombian economy is now too small a percentage of the total territory and of the population. It's obvious that the narco-traffic, and other developments of the past 20 years, have ruined the Colombian economy. So, at this stage, what's required is a group of nation-states in the Americas, working together on common projects and common trade agreements, so that what the countries have to discuss among one another is what they should be concentrating on, and cooperate on that and establish trade agreements on that basis.

In general, it's obvious that Colombia needs a build-up of its agriculture—its independent, useful agriculture—its in-

dustry, and also its infrastructure. Because, clearly, there are tremendous natural resources, but you have to have the economy that can utilize them.

Radio Todelar: What do you think about the attitude adopted recently by international financial institutions, with regard to forgiving certain portions of the debt. For example, in the case of Africa, there are highly indebted countries. Is this positive to some degree?

LaRouche: Well, it may be positive, but it's done only because, otherwise, there will be complete disorder.

The more general problem, is the fact that the present international financial monetary system, that the obligations of the system, far exceed anything that could be possibly met. There's going to have to be a massive freezing, and eventual large-scale cancellation, of much of the outstanding debts throughout the world. Because if we don't do that, then we're going to go into a Dark Age, in the same way that Europe did in the 14th Century, as a result of the attempt to collect the full value of the debt to the Lombard banking system. So, the African case is simply a symptom of what is going to become a worldwide phenomenon.

Radio Todelar: We've reached the end of our time, and we'd like to thank you very much on behalf of Radio Todelar.

LaRouche: Good. Thank you very much.

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