

# International Intelligence

---

## *LaRouche Tells Brazil, 'Wake Up to Reality'*

Alarmed government officials and diplomats from several South American nations have expressed concern about whether the Brazilian government would be willing and able to stop Vice President Dick Cheney's drive to start a war in the heart of South America. (See "Cheney's 'Spoonbenders' Rampage Through South America," *EIR*, Sept. 9, 2005.) Lyndon LaRouche issued the following statement:

"I am concerned about the lack of courage shown in certain quarters in Brazil, especially in the wake of the conveniently timed corruption scandals against President Lula. Brazil has to wake up to reality. It has to understand the importance of the defense of its sovereignty, and that of its neighbors, against the Moonie and British-run invasion, or the whole continent—including Brazil—is going to go down the tubes."

---

## *Colombian LYM Debates Uribe on Economics*

Colombian LaRouche Youth Movement (LYM) member Sidarta Melo had the opportunity to debate economics with Colombian President Alvaro Uribe Velez at an international event held Sept. 5-6 in Bogota, to commemorate World Physics Year. At the close of the symposium, which was attended by more than 500 people, including university students, professors, military officers, and members of the government, Uribe opened the floor to questions.

LYM member Melo asked: "Mr. President, I would like to know concretely, what are the great projects in state-of-the-art science and technology that your government is carrying out, in view of the fact that in a field like telecommunications, some already want to sell off the state companies where something of science could be developed? Here it says that investment in science programs is .3% of the national budget, and

might be raised to 1%. Why not use the 30% now allocated for payment of debt service, or the international reserves that are being used to pre-pay the debt, something which seems stupid to me?"

Uribe looked at Sidarta for a moment, then took the microphone and said, "Young man, when you reach my age and have the gray hairs that I have, you will learn that there are two paths one can take: One is to make populist, radical decisions and close the doors internationally. This is what should not be done in economics. The other option is to do things as one should, step by step and recovering the confidence of the private sector and of the foreign sector, and to do that, we need to fulfil the obligations that the nation has acquired; that is what we are doing. Foreign capital has increased and is now coming in based on more confidence in the country.

"Regarding state bonds, they're being bought up like hot cakes; international reserves have grown and are being used appropriately. It's not a question of stealing money, but with this prepayment, the nation is saving much money on the debt of the future. With regard to telecommunications, rates have come down. . . . Further, the State cannot intervene in the economy, because what could happen is what is happening to a neighboring country, which in the future is going to reheat its economy."

**Sidarta:** "That is not true, because if the nation were to issue credit for great infrastructure projects, this will generate jobs and development, like Franklin D. Roosevelt did in the United States. This can be done without indebting the country."

**Uribe:** "That would generate inflation, something which the Central Bank fears a great deal."

**Sidarta:** "These theories are false. Inflation occurs when money is printed without any relation to the physical production of a country, but when the emission is focused on industry, this doesn't generate inflation. Anyway, if the goal were to combat the inflated costs generated by non-productive activities, the government would control the stock exchange, which is dedicated to selling paper, like bonds and derivatives, without producing anything."

**Uribe:** "Young man, in what university did you study economics?"

**Sidarta:** "None! I have studied the ideas of Mr. Lyndon LaRouche."

**Uribe:** "What, then, is your view of the economy?"

**Sidarta:** "The physical economy."

And then, with a touch of sarcasm, Uribe said, "Young man, I am an open-minded person. So if you convince me of your view of economics and science, we will talk with the Central Bank. Write something and send it to me."

**Sidarta:** "I accept the challenge."

At the end, Uribe, told the director of the forum to get in contact with the youth, so that he sends his proposals on.

---

## *Chinese Rural Poverty Far Greater Than Urban*

The *People's Daily* reported Sept. 8 that the living standards of Chinese farmers are a full ten years behind those of the urban population. National Statistics Bureau deputy director Qiu Xiaohua, speaking at a forum in Beijing, said that he was "shocked" by the situation. "Generally speaking, the overall consumption power of the huge farming population still lingers at the early 1990s stage of their city counterparts. The gulf has yet to be bridged," Qiu said. He also stated that the gap threatens China's development.

Nearly 60% of China's 1.3 billion population—800 million people—live in rural areas. At the end of 2004, some 26.1 million people were still living in extreme poverty, and 49.77 million remained "low income," which means just barely able to nourish themselves properly. There are also large inequalities in health and education. Some 42% of the urban population have government medical care, compared to only 10% of the rural population. Also 43.8 times more college graduates come from urban than rural areas.

Government investment in the rural economy gradually shrank from 13% of total expenditure in the late 1970s to 7% in 2003.