

# National Argentine Radio Hosts LaRouche

*Radio Splendid, which interviewed Lyndon LaRouche live for half an hour on Aug. 9, is one of the top five national radio stations in Argentina. The broadcast set off reverberations and generated a large number of call-ins to the radio station; in the interview, LaRouche explained that the International Monetary Fund package is a bailout of the banks, not Brazil. The interview, by host Mr. De Renzis, was re-broadcast on Aug. 12, with EIR's Buenos Aires correspondent Gerardo Teran and Gen. Harold Bedoya from Colombia, to discuss the crisis in that country and the just-inaugurated Alvaro Uribe government.*

**Radio Splendid:** How does the situation in Argentina look from the outside world?

**LaRouche:** Argentina is faced with being destroyed, but not only Argentina. Brazil is in a similar situation. The entire area of the Americas below the U.S. border, is similarly threatened. Every part. It's the same train, but the cars are arriving at different times; and the United States is also on the road to destruction.

**Radio Splendid:** If that is the case, what's the danger the world faces, in light of the possibility that Bush might order an attack against Iraq?

**LaRouche:** Well, this is now being contested. There's much more resistance to this now than there was, say, two weeks ago, and there is pressure inside the Bush Administration to reconsider, as there is from Europe.

**Radio Splendid:** If the world were to continue on this track, what is the likelihood of the world exploding economically?

**LaRouche:** More than that, it *would* explode if it were to continue on this track. Let me define what the solution is, because that makes the crisis more clear.

To understand the present world situation, you have to look back to the middle decades of the 14th Century in Europe, when the Lombard banking system collapsed. At that time, the Lombard bankers were able to enforce the collection of debts. As a result, they had a dark age in which the population of Europe collapsed by at least one-third. If the IMF conditions are not overturned now, a similar fate to that of the "little dark age" of the 14th Century will hit most of the world as a whole.

Therefore, the key today is to not make the mistake of

14th Century Europe. It is the debts which must suffer, not the nations.

**Radio Splendid:** You often make references to the question of a financial bubble. What precisely is that?

**LaRouche:** Well, what you have is—take three curves, which I've described many times. Since 1966, looking at the United States and the United Kingdom—the figures for other countries are similar, but a little different—we've had an increase in financial aggregates, at the same time that the *physical* aggregates of production are collapsing. This process has been funded by the growth of monetary aggregates. So therefore, most of the financial values upon which the debts are based, are fictitious. They have no physical basis in reality.

As a result, the entire IMF system is a gigantic financial bubble, like the John Law bubble in France in the early 18th Century, and like the debt bubble that was built up by the Lombard bankers in the 14th Century.

Recently, the rate at which monetary aggregate has to be put in—as you see in the recent Brazil bailout—actually exceeds the amount of financial aggregates they're saving. Which is what happened in Germany at a certain point, which led to the great hyperinflation of Germany in 1923.

I think that you'll find that, among inside circles in the United States, London, and Europe today, they presently agree generally that the present IMF system is hopeless. It cannot be saved.

**Radio Splendid:** What's the responsibility or the role in this of the Federal Reserve in the United States?

**LaRouche:** The Federal Reserve is implicitly bankrupt. You have, for example, two U.S. banks which have traditionally dominated South America. In former times, this was the Rockefeller bank, Chase Manhattan, and Citibank. And you had a third factor behind the scenes, J.P. Morgan. So, today, you have the consolidated CitiGroup, controlled by Sandy Weill, who is not exactly the most honest man I've ever known. And you have J.P. Morgan Chase. They are about to go under. That's what the bailout for Brazil was actually for. That was not done for Brazil or for Uruguay, but to rescue the U.S. banking system.

But the bailout won't work. So therefore, the Federal Reserve system is bankrupt. So, if the United States government is sane—and I have some indications that sanity might take over the U.S. government—then it will act as Franklin Roosevelt acted. It will put the world banking system into a bankruptcy reorganization, through agreements among governments. We will probably freeze most of the debt, while ensuring a flow of credit to keep employment and production and pensions going. And also launch an economic recovery. And these are the only rational solutions available to the world at this time.

**Radio Splendid:** Mr. LaRouche, what do you know about

the possibility that they will try to collect Argentina's foreign debt through national territory?

**LaRouche:** If they do that, Argentina will disintegrate. If it's done to Argentina, it will set off a chain reaction in which the entirety of South America will go into the same crisis. There is no part of Ibero-America which could survive under those conditions. That is absolutely morally forbidden. It would be the beginning of a dark age for all humanity.

**Radio Splendid:** What's the view of the Democratic Party with regard to the crisis in this region, and what differences are there with the Republican Party?

**LaRouche:** The Democratic Party has some of the worst fascists in the world in it, typified by Michael Steinhardt, one of the financial backers of Senator Joe Lieberman, who is one of the worst. You have some of the same types in the Republican Party. So what I'm trying to do, is make a revolution in the Democratic Party, while also cooperating with sane people in the Republican Party.

I'm trying to pull together a combination among people, which can walk into the White House and get a change of policy, because that's what is absolutely necessary. Anything else will be a catastrophe.

**Radio Splendid:** What is the relationship, as you see it, between London and New York, and concretely, is that the location of the hidden powers that govern the world?

**LaRouche:** Not exactly—it is and it isn't. You have an international English-speaking oligarchy, which is based in the United States, Canada, the United Kingdom, Australia, and New Zealand. They're pretty nasty, but on the present issues, they're divided. The British are against what is being proposed for an Iraq war, even though Blair says he's for it. Continental Europe and Russia are against this. There's a big opposition to this within the United States. So, in the present crisis, you have a picture where the United States' authority, while still powerful, is disintegrating internationally.

We've entered a period of extreme turbulence, where many of the agreements and alliances are breaking up. And we're in a period where new kinds of alliances, of cooperation are likely. Not certain, but likely.

**Radio Splendid:** After the dollarization of certain countries in South America, such as Ecuador, did their situations improve or worsen?

**LaRouche:** It's worsened. For example, in Brazil, the dollarization of their debt is the leading cause of catastrophe in that country.

**Radio Splendid:** A related question is, do you see any forces in the State Department, CIA, or elsewhere, that are financing any form of military uprising against democracy?

**LaRouche:** There's a general tendency, especially among

the so-called Utopian crowd in the United States. To make it simple: Anybody in the United States or elsewhere who is presently allied with Ariel Sharon in Israel, would be part of such an operation. Those are the guys who would do it.

**Radio Splendid:** So then, there is a real, concrete danger that there are forces who could finance such a thing?

**LaRouche:** They wouldn't have to finance it. They'd just do it!

**Radio Splendid:** Thank you for this interview, but one last question. What are your views regarding Hugo Chávez in Venezuela, Fidel Castro in Cuba, and also Colombia?

**LaRouche:** Actually, Fidel Castro is much more durable than the others are, for some strange reasons. Castro is like a chameleon; he's changed his colors many times. He's also been in desperate situations, but managed to change his colors at the right time.

Chávez and Venezuela are in deep trouble. There are some good qualities of people gathered around Uribe, the new President of Colombia, but I wouldn't assume that all of them are good, however. But Colombia has a greater survival potential right now than Venezuela does, although I would hope it would improve in Venezuela. Obviously, the problem in Colombia is the drug problem. You have to get this drug factor out of the situation, or under control, or you cannot have a country in Colombia.

**Radio Splendid:** Very good. Thank you very much, Mr. LaRouche. Finally, what is your advice, or perhaps suggestions, as to what Argentina should do to get out of this current situation, which has driven more than half of its population into poverty?

**LaRouche:** Well, there are things that can be done. But to do them, Argentina needs allies from abroad. I've been looking at the Mercosur factor, for example. Unfortunately, when the President of Peru, then [Alberto] Fujimori, made his speech at the conference [of South American heads of state], they couped him immediately afterwards.

But the present situation in Argentina, Uruguay, Paraguay, and Brazil, in particular, is really a problem for Europe, too. This can blow up the Spanish economy, which could set off a chain reaction through all of Western Europe. So, if governments are sane, they have to ally with Argentina, to give a solution for reconstruction of Argentina, and to put some of this debt under reorganization.

You have to think about the security of the population and institutions of Argentina. If that population is not kept alive, and if the institutions are not saved, you will have a situation very much like what happened with the Lombard banks' foreclosure on England at the beginning of the dark age of the 14th Century. I think Argentina just has to reach out, to find co-thinkers in other countries to build a coalition that can put enough pressure on to get a solution.