

# Development Projects vs. The IMF Hit Men, 1971-91

*During the 20-year period of 1971-91, there was a global drive for great development projects and for debt moratoria in the developing sector, which was met by intensive, dirty “Hit Man” operations to sabotage these efforts. Some significant efforts—exemplified by the Eurasian Land-Bridge campaign—continued after this time, but with the “missed opportunity” around the fall of the Berlin Wall in 1989, and the collapse of the Soviet Union in 1991, the financial oligarchy had succeeded in blunting the global drive for development. The following timeline presents key events in this process. It was compiled by Edward Spannaus and the editors of EIR.*

## 1971

**August:** President Nixon delinks the dollar from gold, at the direction of George Shultz, launching the era of floating exchange rates. (This had been preceded by a run on the British pound sterling and devaluation in 1967; a dollar crisis in February-March 1968, which led to devaluation of the dollar; a devaluation of the French franc in April 1968; and so on.)

**Dec. 2:** Lyndon LaRouche debates leading Keynesian economist Abba Lerner at Queens College in New York. During the debate, Lerner is compelled to defend the Nazi Economics Minister and German central bank head Hjalmar Schacht, saying that Schacht’s type of austerity measures will be needed now to deal with the emerging economic crisis.

## 1972

**Spring:** Azores monetary conference officially brings to an end the postwar Bretton Woods system of fixed exchange rates.

The Club of Rome publishes *The Limits to Growth*, its call for zero growth in population and economy. In 1968, officials of NATO, the Tavistock Institute (British Intelligence’s psychological warfare division), and the Soviet Academy of Sciences, had founded the Club of Rome as a command center for the propagation of the Malthusian no-growth “post-industrial society” program worldwide.

## 1973

**March-May:** Another currency crisis: A run against the dollar forces a two-week closing of monetary exchanges, and leads to floating of European and Japanese currencies against the dollar.

**May:** Secret meeting of the Bilderberg Group in Saltsjöbaden, Sweden, discusses problems of “petrodollar recycl-

ing” under a projected 400% increase in world oil price.

**October:** The International Atomic Energy Agency completes a study of nuclear power plant requirements of the Third World, projecting 355 nuclear units to be operating by the year 1990. By 1983, this estimate had been discarded as unrealistic, and only 20 nuclear power units were expected to be on-line by 1990.

The “Yom Kippur War” between Israel and Arab states precipitates the Bilderberger-projected 400% oil-price shock.

**November:** The FBI is working with the Communist Party USA to “eliminate” Lyndon LaRouche and his influence.

## 1974

**August:** Club of Rome head Aurelio Peccei expounds his genocidal doctrine at the Population Conference in Bucharest, and is exposed as a scientific fraud by Helga Zepp (who later married Lyndon LaRouche) and her co-thinkers.

**November:** LaRouche initiates the founding of the Fusion Energy Foundation (FEF).

**December:** One hundred and twenty members of the United Nations approve the Charter of Economic Rights and Duties of States, drafted by Mexican President Luis Echeverria in 1973, giving all nations the right to development.

**December:** Secretary of State Henry Kissinger issues the classified National Security Study Memorandum 200, “Implications of Worldwide Population Growth for U.S. Security and Overseas Interests,” which declares that Third World population growth is a threat to U.S. control of raw materials; it cites 13 developing nations as special targets.

## 1975

**March:** The LaRouche Presidential Campaign issues the “Middle East Peace and Reconstruction Act,” which proposes spending no less than \$7.9 billion annually for the next five years, to expand irrigation, expand modern agriculture, and desalinate large quantities of salt water, to benefit all countries that agree to peace. The campaign also calls for the convocation of a Middle East Peace and Reconstruction Conference.

**April:** After a trip to Iraq, where he discussed economic development, Lyndon LaRouche issues a call in Bonn, Germany, for a sweeping reorganization of the world monetary system, based on an orderly process of debt moratoria and the formation of an International Development Bank (IDB). The IDB is to be constituted “as a three-way agreement among three principal world sectors: the industrialized capitalist sector, the so-called developing sector, and the socialist countries.” Its purpose is to finance an expansion of the physical economy globally, including financing great projects in every region of the world, such as the Ganges project in the Indian subcontinent, the Sahel project in Africa, and the Rio de la Plata project in South America. Attacking the Club of Rome’s lies of “limited resources,” LaRouche calls for the IDB to reverse the “principal historic issue of colonialism and impe-



*Guyana's Foreign Minister Frederick Wills told the United Nations: "We cannot afford to mortgage the future of unborn generations to the obligations of burdensome capital repayments and crushing debt servicing. The time has come for a debt moratorium."*

rialism": the failure to develop agriculture and industry in the developing sector to levels comparable to those in the advanced sector.

**May:** The New York Council on Foreign Relations launches "Project 1980s" studies, rejecting a development perspective, and instead promoting "controlled disintegration" of the world economy.

**June:** Algeria and Iraq issue a joint statement calling on OPEC countries to be able to export oil in proportion to their needs for imports for their economic development. Iraq goes farther, calling for a break with the dollar as the oil standard, and demanding oil accounts be payable in "a more stable currency unit."

**June:** French Gaullists, led by Michel Debré, call for an international monetary conference and the return to a gold standard.

**July:** U.S. Secretary of State Henry Kissinger, in a Milwaukee speech, attacks non-aligned nations, saying that their proposals to the UN Special Session on Development scheduled for September "simply do not reflect economic reality." If they pass, he says, the U.S. will walk out of the UN, leaving "an empty shell."

**August:** Mexico's Echeverria issues "Proposals for a New International Economic Order," in preparation for the UN Special Session. Similar to LaRouche's IDB proposal, it calls for an end to the dollar-based monetary system, the start of three-way trade and investment by the industrial countries, socialist bloc, and Third World, and the creation of an International Central Bank to finance trade and development.

The Non-Aligned Summit meeting opens in Lima, Peru. General Juan Velasco Alvarado, an outspoken advocate of the right of all nations to sovereign development, gives the inaugural speech. Three days later, Velasco is overthrown in a military coup led by Gen. Francisco Morales Bermudez.

**September:** The UN Special Session on Development features Third World demands for debt moratoria and a new world economic order. The final resolution calls for a "new international economic order."

**October:** The Rambouillet monetary summit, in Paris, rejects reform of the world financial system, opting instead to impose harsher austerity on developing nations.

**December:** LaRouche launches a development policy for Southern Africa, using South African industrial power to develop transport infrastructure, energy, and so on, for all of Southern Africa.

Brazil orders eight nuclear reactors from Germany.

## 1976

**February:** A ministerial meeting of the Group of 77 developing countries in Manila, the Philippines, takes place to prepare a common stance for the May 4 conference of UNCTAD (United Nations Conference on Trade and Development). It adopts a charter calling for debt cancellations for the poorest countries, and moratoria or cancellations for other nations that request them. Guyana's Foreign Minister Frederick Wills calls for the establishment of an International Central Bank and the dissolution of the IMF. Peruvian Foreign Minister Gen. Miguel Angel de la Flor calls for a debt moratorium.

rium, as does Algerian President Houari Boumedienne.

**March:** British-educated banker José Martínez de Hoz, a long-time asset of Anglo-American financial circles, organizes a military coup against the government of Isabel Perón in Argentina, which had played a leading role in the Non-Aligned Movement. The new junta implements the IMF's free-market economic program, devastating national production.

**March:** Peruvian Chief of State Francisco Morales Bermudez announces that Peru can no longer afford to play such an active role in international affairs, and henceforth will "turn inward." By July, the remaining three cabinet ministers in the Peruvian government who support active Non-Aligned/debt policy, including Foreign Minister De la Flor, are purged in a bloodless coup.

**April:** Venezuelan Foreign Minister Reinaldo Figueredo tells reporters that his government will press in the UNCTAD meeting for "a decided and practical solution" to the debt problem, "and even a moratorium." The same day, Mexican President Luis Echeverría warns a meeting of the World Parliamentary Union that the debt burden has become "intolerable," and that the present state of affairs in the developing sector "will lead to a conflagration of tragic proportions. . . ." Echeverría warns the West that the consequences of the growing pauperization of millions of people will be a permanent threat to Western security.

**May:** The UNCTAD conference in Nairobi, Kenya, brings together representatives of the developing sector, industrialized nations, and socialist bloc, and debates how to respond to the world economic crisis. Guyana's Foreign Minister Wills proposes that the conference appoint an intergovernmental group of experts to "identify appropriate steps for the establishment of an international central bank" to replace the bankrupt IMF. The government of India expresses strong support for the Wills proposals. Secretary of State Henry Kissinger tells the conference that only "case by case" approaches to debt will be accepted; forget any "generalized rescheduling of debts." He threatens that more than any other country, the U.S. "can survive a period of economic warfare," and proposes a raw materials indexing scheme, centered around a privately held "International Resources Bank"—which scheme LaRouche had already denounced as a "down-right genocidal . . . pathetic parody of Hjalmar Schacht's old Rentenmark scheme."

**June:** In a speech during a state visit to North Korea, Pakistani Prime Minister Ali Bhutto argues that the failure of the UNCTAD summit showed that the developing-sector nations should call "a great conference of Asian, African, and Latin American countries to establish a more just new world economic order. . . . The time has come for the Third World countries to take cognizance of their vital interests and resolutely strive for fundamental remedial action to redress the grave injustice to the peoples of the world . . . in order to dismantle the present economic order and replace it with a more equitable system of international economic relations."

**August:** the Fifth Summit of Non-Aligned Nations in Colombo, Sri Lanka, representing 85 member nations, calls for a "radical overhaul of international monetary arrangements"; and specifies that a new monetary and financial system must provide liquidity for the financing of development. It promotes the industrialization of the developing countries, so that by the year 2000, developing countries would have a 25% share in worldwide production, and says that world production must be restructured to ensure that "transfers of technology" take place. It also calls for "mutual cooperation for the production and use of nuclear energy towards peaceful ends."

In the keynote speech to the conference, Sri Lankan Prime Minister Sirimavo Bandaranaike urges the creation of a currency backed by the immense economic potential of the non-aligned and other developing countries. "The financial centers of the world will no longer be limited to New York, London, Zurich, and Paris," she says. "New centers of economic power would rise in the non-aligned and the Third World. The developing world would be strong enough to think in terms of a merchant shipping fleet, to carry its import and export cargo. . . ."

Algerian President Houari Boumedienne calls for a new international economic order as "the sole way to reconcile the legitimate interests" of the developing and developed sectors, "by mobilizing the potentialities of the planet and the immense capital of scientific and technological knowledge accumulated over centuries for the well-being of all. . . ."

**September:** Guyana's Foreign Minister Wills tells the UN General Assembly: "The IMF and the Bretton Woods monetary system must give way to alternative structures like international development banks. . . . The crippling problem of debt and the servicing of debt has assumed a special urgency. . . . We cannot afford to mortgage the future of unborn generations to the obligations of burdensome capital repayments and crushing debt servicing. The time has come for a debt moratorium."

## 1977

**January:** Mitsubishi Research Institute of Japan proposes a Global Infrastructure Fund to finance large infrastructure projects in key areas in the developing sector, to revive industrial investment.

**July:** Three prominent nationalist leaders are removed:

- Pakistan's Ali Bhutto is overthrown and imprisoned.
- Guyana's Foreign Minister Fred Wills is forced to resign.
- Sri Lankan Prime Minister Sirimavo Bandaranaike is overthrown.

Jürgen Ponto, head of Germany's Dresdner Bank, is slain by the Baader-Meinhof terrorist gang. Ponto had been scheduled later that month to visit Brazil to seal the German-Brazilian nuclear deal, and a meeting between Ponto and LaRouche had been set for early August. LaRouche's co-thinkers in Germany had frequent contact with the relevant offices of

Dresdner Bank around African development.

**September:** Mexican President José López Portillo announces on the first of the month that Mexico will not bend to the IMF's demands for further cuts in government spending. His speech kicks off a nationalist mobilization for the industrialization of Mexico, and against the IMF.

**October:** Mexico's cabinet ministers announce that Mexico intends to use its newly identified oil wealth for a 20-year national crash development plan, including enabling Mexico's economy to "go nuclear."

Daimler Benz's Hanns-Martin Schleyer is assassinated. Schleyer and Ponto had been backers of a pilot project known as the Southern Africa Development Fund, which involved efforts by white South African reformers centered around the University of Pretoria to create conditions for dumping the barbaric apartheid policy, by using economic development to create demands for the kind of skilled labor apartheid destroyed. LaRouche strongly backs the project, as part of a policy of fostering the economic development of the Middle East and the African continent. LaRouche is advised that he is on the same hit-list as Ponto and Schleyer.

**November:** Robert Smit, a South African economist who was to have become finance minister, is slain in Pretoria. Smit had been part of the German-South African anti-apartheid pro-industrialization axis.

Germany announces that it will build four nuclear plants for Iran.

## 1978

Early in 1978, the Nuclear Club of Wall Street is formed by a group of investment bankers and intelligence operatives, to stop the drive for nuclear power.

**March:** President Carter signs the Nuclear Nonproliferation Act of 1978, which contributes greatly to the destruction of the nuclear energy industry in the United States and the Third World. This represents a reversal of the 1953 Atoms for Peace approach of President Eisenhower, which had given rise to U.S. Export-Import Bank assistance for nuclear power export and, with scores of nations signing bilateral nuclear agreements with the United States, had assisted in the beginnings of nuclear power plant construction in Asia, Africa, and South America.

**May 3:** Japanese Prime Minister Takeo Fukuda proposes, in a Washington meeting with President Carter, a joint effort to develop such alternative energies as nuclear fusion energy, and to undertake "grand projects" to stimulate world economic recovery, such as the construction of a second Panama Canal, and a canal across the Kra Isthmus in Thailand. U.S.-Japanese collaboration on such projects, he suggests, "could be called a New Deal." Carter replies that the World Bank should remain in control, praises solar power, and presses Japan to open its markets to U.S. products.

**May 6:** West German Chancellor Helmut Schmidt and Soviet General Secretary Leonid Brezhnev sign a 25-year economic cooperation treaty emphasizing German technol-

ogy and industrial products in exchange for Russian raw materials.

**May:** Mexican President López Portillo visits the Soviet Union, after Brezhnev's visit to Germany, and stresses the need for a New World Economic Order, to benefit East and West. He tours the advanced fission and fusion nuclear facilities at the Kurchatov Institute and the science city of Novosibirsk.

**June:** West German Chancellor Schmidt visits Nigeria and Zambia, the first visit to a Black African country by a West German Chancellor. "My trip should be understood as the announcement of our desire and will to seek with you a common way to bring our historical allies of Europe and Africa closer together," he declares.

**July:** European Community Heads of State meet in Bremen; French President Valéry Giscard d'Estaing and Schmidt announce the formation of a new, gold-backed European Monetary System (EMS), to end world monetary instability and allow for a full economic recovery.

A document smuggled out of prison from former Pakistan President Zulfikar Ali Bhutto, states: "I have been actively associated with the nuclear programme of Pakistan from October 1958 to July 1977. . . . I was concerned directly with the subject as foreign minister, as minister of fuel, power, and natural resources, and as minister in charge of atomic energy. . . . We were on the threshold of full nuclear capability, when I left the government to come to this death cell."

**September:** Chancellor Schmidt visits Tokyo for talks with Japanese Prime Minister Fukuda.

**October:** Schmidt tells West German bankers that the EMF is to be the "basis for a new *world* monetary system."

**November:** Mexican officials report two new oil finds that will permit Mexico to double its industrial plant within six to seven years, build whole new cities around the country, and raise living standards and education levels.

López Portillo visits China, Japan, and the Philippines. He proposes that Japan and Mexico "think big together" on how to secure an urgently needed new world economic order. Oil-for-technology deals, including for nuclear technology, are discussed.

Ireland's European Community Commissioner Richard Burke defends the EMS, saying the collapse of the Bretton Woods system and the adoption "of floating exchange rates by the end of 1973, made the creation of a successor system all the more pressing. . . . The steady decline of the dollar forced the strong-currency countries of Europe to look for a new line of security. . . ."

## 1979

**February:** Brazil concludes a nuclear deal with West Germany for eight reactors, and enrichment and reprocessing facilities.

**March:** French President Giscard d'Estaing visits Mexico. Both Presidents state their commitment to collaborating on creating a "Grand Conception" for North-South growth,

to head off war. Specific oil-for-technology deals are also discussed, with France committing itself to helping Mexico explore its uranium reserves, guarantee its supply of enriched uranium, and aid in constructing nuclear plants in Mexico.

The European Monetary System is launched as European governments, with the exception of Britain, agree to establish a system of stable currency parities and form the nucleus of a new European central bank. A high-level German official calls the EMS the “seed crystal for an institution that will replace the World Bank and the International Monetary Fund.”

Lyndon LaRouche and Helga Zepp-LaRouche visit Mexico, invited to address the 50th anniversary of the governing PRI party. In his Mexico City press conference, LaRouche stresses his agreement with Giscard and López Portillo, that “the choice of the world today is between the new world economic order or apocalypse.”

**October:** Federal Reserve chairman Paul Volcker’s high-interest-rate measures, abetted by the Second Oil Hoax of 1978-79, which tripled petroleum prices, trigger a collapse of the industrial sector of the U.S. economy.

Mexican President López Portillo urges the “adoption of a world energy plan,” in an address to the UN General Assembly. He proposes that a working group be set up, to draft a plan which can assure full national sovereignty for the nations of the world, promote developing-sector industries important to energy production (particularly capital goods), and fund the transfer of technology and manpower training to the developing sector, for new energy technologies.

## 1980

**February:** *EIR* produces a 40-page Special Report, “The Industrialization of India: From Backwardness to Industrial Power in Forty Years.” The program pivots around infrastructure, especially nuclear energy generation and water project development.

**May:** Brazil and Argentina sign a nuclear cooperation agreement.

Visiting France and West Germany, Mexican President López Portillo discusses the urgency of world action to head off the growing possibility of “generalized war.” He praises the peace efforts of French President Giscard d’Estaing and West German Chancellor Helmut Schmidt. After meeting López Portillo, Giscard flies to Warsaw for a sudden and unscheduled meeting with Leonid Brezhnev.

**June:** Indian Prime Minister Indira Gandhi discusses obstacles to her program of developing India through industry and scientific development, in an exclusive interview with *EIR*.

**July:** The Carter Administration releases its “Global 2000” report, projecting 170 million deaths from disease and famine by the year 2000. The report admits that economic development and technology could prevent those deaths, but

it demands that the U.S. block any such changes, and instead press for a reduction of the world’s population by 2 billion.

**September:** The Iran-Iraq War breaks out, to drag on for eight years. The U.S. backs one side and then the other. The view of Kissinger and the British Foreign Office is that each side should kill off as many of the other side as possible.

## 1981

**January:** West German Chancellor Helmut Schmidt tells the West German press that Anglo-American interest-rate policies are destroying the world’s economy.

U.S. President-elect Ronald Reagan meets with Mexican President José López Portillo for “cordial” talks, centering on improving North-South relations through U.S. cooperation with Mexico, India, and Iraq.

After a week of talks in India, Mexican President López Portillo and Indian Prime Minister Indira Gandhi issue a communiqué promising to increase cooperation on international affairs and technological development. López Portillo tells the press that India’s progress in nuclear energy and food shows “that things *can* be done,” and he calls for the “creation of a financial system that will allow real transfer of resources” and technology to the developing world. He also tells the Indian press that he is very “optimistic” about President Reagan’s attitude of respect and friendship towards Mexico.

**February:** West German Chancellor Helmut Schmidt and French President Giscard d’Estaing call for an “interest-rate disarmament conference.” They discuss the responsibilities of their nations in “the struggle against hunger, poverty, and underdevelopment,” and for “the resolutely peaceful use of nuclear energy,” and they express “their determination to cooperate in a spirit of confidence with the new American government.”

**Feb. 19-20:** LaRouche’s FEF and the Mexican Association for Fusion Energy release a 20-year program for Mexican economic development at a Mexico City conference at which Mexican government officials also speak. The key is to ensure that by no later than 2000, the majority of Mexicans should be able to enjoy a standard of living comparable to that of the average inhabitant of Western Europe in 1980. The conference kicks off a six-week organizing drive for the program in both the U.S. and Mexico, including follow-up conferences in Houston and Washington, D.C., presenting what would be Mexico’s potential \$100-billion shopping list for capital goods, if the U.S. will cooperate with Mexico in its aggressive development plan.

**March 9:** LaRouche outlines the world strategic benefits of a massive, U.S.-Mexico oil-for-technology package, in his keynote address to the annual International Symposium on Economics of the Monterrey Institute of Technology, at the start of a ten-day visit to Monterrey and Mexico City. “Shaping the outcome of the upcoming Reagan-López Portillo summit is precisely one of my objectives in coming here,” he tells Monterrey television. In a later press conference in Mexico

City, LaRouche calls upon the heads of state of France, Mexico, West Germany, and India to influence the Reagan Administration to reverse the disastrous course of U.S. economic and strategic policy. LaRouche's trip generates several days of national press coverage of his support for Mexico's drive for full-scale industrialization.

**March:** Israeli Labor Party leader Shimon Peres proposes economic cooperation with moderate Arabs.

The attempted assassination of President Reagan March 30 causes a delay of the López Portillo-Reagan summit scheduled for April 27-28.

**May:** An attempted assassination of Pope John Paul II occurs the day before he is scheduled to release the encyclical *Laborem Exercens*, which defends the value and dignity of man's labor as deriving from man's being made in the image of the Creator, and condemns the immiseration and exploitation inherent in economic backwardness.

President Jaime Roldos of Ecuador is killed in a plane crash, after attempting to implement his "Hydrocarbons Policy" to take control of his nation's petroleum resources, which puts him on a direct confrontation course with the oil companies and Washington.

**June:** A two-day official summit in Washington between José López Portillo and Ronald Reagan finally takes place. Reagan announces that the two have agreed "on the need to strengthen the economies of the lesser developed nations to bring about social and economic development of their peoples."

Israel bombs Iraq's nuclear plant during the López Portillo-Reagan summit.

**July:** Panama's chief of state Omar Torrijos is killed in a plane crash. At the time of his death, he is involved in negotiating with Japan to build a new sea-level canal, which incenses George Shultz's Bechtel Corporation.

**September:** There is an assassination attempt against Helga Zepp-LaRouche in West Germany.

**October:** Egyptian President Anwar Sadat is assassinated.

**November:** LaRouche releases a plan for the nuplex-based industrialization of Egypt, as an urgent measure to underline American commitment to Egyptian economic growth, after the assassination of Sadat.

## 1982

**February:** At a conference in Washington, D.C., LaRouche outlines a proposal for a beam-weapons anti-missile defense system, and emphasizes the economic benefits from such a program. (The results of a study of the program's economic benefits are publicly released in the Dec. 28, 1982 issue of *EIR*, "How Beam Weapons Would Spur Recovery.")

The Mexican debt crisis explodes: Mexico devalues its peso 28%, and adopts severe austerity measures.

**April:** The Argentine military junta retakes the Malvinas Islands from British colonial possession. Great Britain de-



*Indian Prime Minister Indira Gandhi and Pakistani Prime Minister Zulfikar Ali Bhutto. The two leaders, who fought for their nations' economic and technological development, were murdered on orders of the global financier oligarchy. Gandhi was assassinated in 1984; Bhutto was overthrown by a military coup, imprisoned, and hung in 1979.*

clares war against Argentina, sending two-thirds of its Navy to retake the islands. LaRouche calls upon the Reagan government to enforce the Monroe Doctrine, and "prevent European military action in the hemisphere." The British have no legal claim to the islands, he states.

**April:** The Organization of American States (OAS) votes, 18 to 3, to hold consultations on invoking the Rio Treaty for hemispheric defense to aid Argentina. The U.S. abstains.

LaRouche and his wife, Helga Zepp-LaRouche, meet with Indian Prime Minister Indira Gandhi. During their two-week visit to India, LaRouche outlines "A New Approach to North-South Relations" before the Indian Council of World Affairs in New Delhi, calling for a new "grand design" for a New World Economic Order based on interrelated East-West, North-South, high-technology-centered economic development.

**April:** The United States enters the Malvinas War on the side of Britain.

**May:** Henry Kissinger assures London's Royal Institute

for International Affairs that the Malvinas War has brought the United States back behind Britain's colonial geopolitical policy. Kissinger praises Britain because it "rarely proclaimed moral absolutes or rested her faith in the ultimate efficacy of technology," and attacks the U.S. "perennial . . . assumption that economic well-being automatically ensures political stability. . . ."

**May 27:** Lyndon LaRouche emerges from a 40-minute meeting with Mexican President José López Portillo, to give a press conference to 60 journalists at the Presidential residence, Los Piños. Asked what he thinks of British colonial aggression against Argentina, LaRouche calls upon the Ibero-American nations to use the "debt weapon" on Britain, and force a restructuring of the world economic system. That call, and his defense of Mexico's right to be a sovereign country, are covered prominently in Mexico's press. Before meeting with the President, LaRouche has addressed a congress of his associates in the Mexican Labor Party, and given two press conferences.

**June:** Argentina signs surrender. On the same day, President Reagan delivers a speech to the British Parliament outlining a new "Project Democracy" policy for developing sector nations.

**July 20-24:** LaRouche visits Mexico City again, for more meetings with leading private and government figures.

**August:** LaRouche issues "Operation Juárez," a strategy for Ibero-America to become "an economic superpower," to form a debtors' cartel and a Common Market, establish projects of South-South cooperation with countries such as India, and go "nuclear or die." Forecasting imminent financial default, LaRouche warns that Ibero-America must deliver a shock to the industrial sector, because the goal of the Anglo-American banking cartel is not to collect the debt, but to "destroy all existing nation-states."

**September:** Mexican President López Portillo announces in his State of the Union message, that he has ordered the implementation of exchange controls, and nationalized the private commercial banks of Mexico, as well as the nation's central bank. The bleeding of Mexico by speculation and rentier finance—which he estimates, conservatively, at \$54 billion—will end, López Portillo declares. Nations require economies "vigorously oriented towards production and employment." A national mobilization in support of the President's dramatic action begins. In this period, López Portillo calls the Argentine and Brazilian Presidents, Leopoldo Galtieri and João Baptista Figueiredo, respectively, to propose joint action on the debt. Each declines, sticking instead with Kissinger's case-by-case approach.

There is a second assassination attempt against Helga Zepp-LaRouche in West Germany.

Secretary of State George Shultz tells the United Nations General Assembly Sept. 30, that funds for development no longer exist, and the United States will not tolerate opposition to the IMF. "Economic adjustment is imperative." He blames

the present world financial crisis on developing countries' efforts to grow.

**October:** Mexican President López Portillo answers Shultz, in his address to the United Nations: "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," and we must negotiate, together, to bring about a new economic order to the benefit of all. The failure to do so, he warns, "could well be the start of regression to the Dark Ages, with no possibility of a Renaissance."

The Presidents of Bolivia, Ecuador, Colombia, and Venezuela discuss meeting to "coordinate joint action for the renegotiation of the foreign debt." Without the support of Argentina and Brazil, no action is taken.

Brazil is forced by the IMF to cancel most of its nuclear program with West Germany.

## 1983

**January:** Mexico, now governed by President Miguel de la Madrid and isolated from international support, is forced to implement IMF demands for "free market" by decontrolling prices and imposing an 18% value-added tax; prices leap 25% overnight.

Ministers of the Non-Aligned countries issue a communiqué stressing priority of development over debt.

**February:** Carlos Alzamora, head of the Latin American Economic System (SELA), tells Ibero-American ministers meeting in Cartagena, Colombia, that the continent must solve the debt crisis through jointly negotiating with the international banks, and forming an Ibero-American "regional market."

**March:** President Reagan adopts LaRouche's design for what becomes known as the Strategic Defense Initiative (SDI), offering to cooperate with the Soviet Union in the joint development of defensive beam weapons, based on new physical principles. The program would have served as a "science driver" for the entire global economy, but the Soviets reject Reagan's offer, and the U.S. program is reduced to using only "off-the-shelf" technologies.

The Seventh Summit of Non-Aligned Heads of State and Government takes place in New Delhi, India. Indian Prime Minister Indira Gandhi urges delegates to "call for an International Conference on Money and Finance for Development, which will devise methods to mobilize finance for investments in the critical areas of food, energy, and industrial development," and "suggest comprehensive reform of the monetary and financial system now recognized as out of date, inequitable, and inadequate." Included in that must be "a major debt-restructuring exercise," she specifies.

The final document adopted at the conference calls for the convoking of an International Conference on Money and Finance for Development. "Full or unrestricted access to nuclear technologies for peaceful purposes under non-discrimi-

natory conditions is an inalienable right of every state,” the final document states. “The Heads of State or Government abhor the pressure and threats directed against the developing countries to prevent them from accomplishing their program for developing nuclear energy. . . . Non-proliferation should not be made a pretext for preventing states from exercising their full right to acquire and develop nuclear technology.”

**May:** Japanese Prime Minister Yasuhiro Nakasone tours ASEAN countries, saying, “there will be no peace in the northern countries without stability in the southern countries.”

**June:** Egypt’s President Hosni Mubarak proposes a world development bank to sponsor large infrastructure projects, creating a billion jobs.

George Shultz visits the Philippines, leading to a peso devaluation and the escalation of the dismantling of the Marcos development projects.

**August:** The assassination of Benigno Aquino upon his return to Manila is used to unleash a massive destabilization against President Ferdinand Marcos, on the scale of the overthrow of the Shah of Iran in 1979.

**October:** The first of two Kra Canal Conferences, called “Long-term Economic Development of the Pacific and Indian Ocean Basins” and held in Bangkok, Thailand, is addressed by LaRouche. It is sponsored by the FEF and the Thai Department of Communications.

## 1984

**February:** George Shultz and Vice President George H.W. Bush meet with Philippines opposition leader Salvador Laurel. The U.S. Congress, led by Rep. Stephen Solarz, moves to abdicate on the “bases agreement” by reducing payment for the U.S. bases in the Philippines.

Construction on the largest civil engineering project ongoing in the world, the 276-mile-long Jonglei Canal in southern Sudan, is halted by the IMF’s refusal to approve new credit.

The IAEA revises its 1973 study of Third World requirements for nuclear power plants in 1990, from a projected 355, to only 20.

**June 24-July 1:** LaRouche visits Buenos Aires and meets with Argentine President Raúl Alfonsín.

**September:** Lawrence Kline of Philadelphia’s Wharton School of Economics visits Thailand, promoting IMF austerity and the end of big projects, including the Kra Canal.

**October:** The second Kra Canal Conference takes place in Bangkok, “The Industrialization of Thailand and the Kra Canal,” sponsored by *EIR*, FEF, and the Thai Communications Ministry, featuring LaRouche and leading figures from across Asia and the United States.

On the same day as the Kra Canal Conference, Thailand is forced to adopt a 17% devaluation, with IMF-style conditionalities.

The U.S. Justice Department, in collaboration with Bos-

ton banking circles, launches a grand jury investigation of LaRouche, which will lead to his frameup.

**Oct. 31:** Indira Gandhi is assassinated.

## 1985

**February:** Touring Ibero-America, Pope John Paul II asks, “How long must man, and the men of the Third World, have to unjustly put up with the primacy of economic processes over the inalienable human rights, and, in particular, the rights of workers and their families?” He demands that international institutions cease “imposing financial conditions which, in the long run, instead of helping those countries to improve their situation, sink them deeper.”

**April:** After Sudanese President Jaafar an Numayri’s acceptance of IMF conditionalities, food riots occur in Khartoum, with slogans “Down with World Bank . . . IMF!” Numayri is deposed.

**May:** An *EIR*/FEF Conference in Bangkok, called “Southeast Asia: Economic Development and Security,” is opened by Thai Deputy Prime Minister Adm. Sonthi Boonyachai, with ranking military, business, government, and drug enforcement officials from across the region. The conference addresses both the global debt crisis and the drug crisis.

**July:** In his inaugural address after being sworn in as President of Peru, Alan García declares that no more than 10% of Peru’s export earnings will go to pay the foreign debt, and that Peru will no longer allow the IMF to mediate between Peru and Peru’s creditors. “Peru has only one great creditor: its own people, to whom the government will allocate those resources necessary for the reconstruction of its destiny. . . .”

In the opening speech to the annual summit meeting of Organization of African Unity (OAU), President Julius Nyerere of Tanzania says, “Africa cannot let its children die of starvation, just to pay back the debt.” The OAU’s final communiqué declares that “debt service should not be allowed to exceed 20% of the export earnings, and total debt should not exceed 30% of the GNP of each country.”

**August:** Nigerian President Muhammadu Buhari is overthrown for opposing IMF conditionalities. The new President, Maj. Gen. Ibrahim Babangida, confounds the IMF by launching a debate on whether or not to accede to IMF demands.

**September:** The Group of 7 (the United States, Great Britain, Canada, Japan, Italy, Germany, and France) adopts the “Plaza Accord,” upvaluing the yen and other currencies against the dollar. This results in Japan propping up the skyrocketing U.S. debt and real estate bubble, and grossly distorts Japan’s economy and its investment policy.

An attempted coup in Thailand fails, but results in the dismissal from the Cabinet of the leading pro-development figures, and the arrest of former Prime Minister Gen. Kriangsak Chamanan, a friend of LaRouche. Kissinger tells Thai Prime Minister Prem Tinsulanonda that “Kriangsak is dangerous and should be eliminated.”

**October:** The Center for Strategic and International Stud-



ies (CSIS) at Georgetown runs a “war game,” simulating a U.S. invasion of the Philippines after President Marcos is assassinated and Russian *spetsnaz* move into the Philippines. Robert Kupperman and James Woolsey run the “game.”

**December:** Nigeria rejects the IMF. Major General Babangida declares, “The path of honor and the essence of democratic patriotism lies in discontinuing the negotiations with the IMF for a support loan. . . .”

**November-December:** Peruvian Gen. Edgardo Mercado Jarrin (ret.) visits Manila with *EIR* representatives, meeting with President Marcos. Mercado Jarrin attends *EIR* conferences in India and Bangkok, where LaRouche’s economic proposals to the debt crisis are featured.

## 1986

**January:** Israeli Prime Minister Shimon Peres calls for a Marshall Plan for the Middle East.

The Argentine labor federation strikes against the IMF.

**February:** A military coup against President Marcos is carried out by Gen. Fidel Ramos, under the direction of Secretary of State George Shultz, Deputy Secretary of State Paul Wolfowitz, and AIG chief Hank Greenberg, under the guise of “people’s power.” The first act of the new Corizon Aquino government is to mothball the completed nuclear power plant built by Marcos.

**July:** Siemens Corporation director Karl-Heinz Beckurts is assassinated in Munich.

**September:** Peru’s President García addresses the Non-Aligned meeting on debt relief and the need for a new world economic order.

**October:** A meeting of 26 Ibero-American countries which are members of SELA endorses Peruvian President García’s 10% solution: that no country pay more than 10% of its export earnings for foreign debt repayments.

**December:** Egypt’s President Mubarak denounces the IMF pressure for austerity.

## 1987

**January:** The Vatican’s Pontifical Commission *Justitia et Pax* publishes a document, “At the Service of the Human Community: An Ethical Approach to the International Debt Question,” which states that “debt servicing cannot be met at the price of the asphyxiation of a country’s economy, and no government can morally demand of its people privations incompatible with human dignity.”

**February:** Brazil’s President José Sarney declares a debt moratorium on Feb. 20. The architect of the decision is Finance Minister Dilson Funaro.

**March:** Ecuador announces a suspension of debt payments.

**April:** Lyndon and Helga LaRouche visit Peru. LaRouche’s defense of President Alan García’s “people first” policy generates considerable press coverage, but a scheduled meeting with García is cancelled, in the midst of great tension

over Air Force opposition to the government.

Dilson Funaro, architect of Brazilian debt moratorium, is fired from the government.

Pope John Paul II, visiting Argentina, calls for “an ethical judgment of the international debt,” charging that the foreign debts of the developing countries constitute a threat to peace.

**September:** Brazil achieves a uranium enrichment capability, enabling it to close the nuclear fuel cycle.

**October:** “Black Monday,” a worldwide stock market “meltdown,” takes place.

**November:** Argentina’s labor movement strikes against austerity.

The Mexico peso is in free fall.

**December:** Mexican President de la Madrid announces a wage/price freeze against hyperinflation.

## 1988

**March:** Brazil and its creditor banks announce a new debt accord, which requires even more austerity.

Peru’s President García announces an “emergency war-time economic program,” raising prices and legalizing currency exchange houses, which were previously shut down to stop drug cash laundering.

**April:** The Brazilian government orders a wage freeze for public employees, and other IMF dictates.

**September:** Egyptian President Mubarak begins a tour of Europe, seeking official support to resist IMF austerity demands—but he finds none.

**October:** LaRouche holds a press conference in Berlin, forecasting the fall of the Berlin Wall and the reunification of Germany, and proposing a “Food for Peace” policy toward Poland and Eastern Europe. Two days later, LaRouche is indicted for the second time by the U.S. government.

**November:** Mexican oilworkers’ union demands a debt moratorium. After Harvard-trained Carlos Salinas de Gortari becomes President of Mexico in December, the head of the oilworkers union is framed and jailed on weapons charges.

## 1989

**January:** LaRouche is imprisoned after being convicted on bogus charges, and will remain in Federal prison until 1994.

**May:** Egyptian President Hosni Mubarak tells the World Food Council that 512 million people have starved to death over the course of the 1980s.

**June:** The East German government is under increasing pressure from its people because of the worsening economic conditions of the population.

**July-August:** A growing flood of East Germans attempts to leave for other Comecon countries, or for the West.

**September:** Monday-night candlelight vigils begin in East Germany, growing, by November, into rallies of many hundreds of thousands.

**November:** The Berlin Wall is opened, preparing the re-



*Opening a crack in the Berlin Wall, November 1989. The possibility of a reunified Germany becoming an engine for Eurasian development terrified the Hit Men, who moved quickly—through assassinations and political pressure—to force Germany to give up its currency and to apply radical free-trade austerity to the eastern part of the country.*

unification of the two Germanies, as well as the opening of all of Eastern Europe.

West German Chancellor Helmut Kohl addresses the German Parliament, setting forth his ten-point plan for the reunification of Germany, including a proposal for high-speed rail development on the route Moscow-Warsaw-Berlin-Cologne-Paris.

Deutsche Bank chairman Alfred Herrhausen, who had advised Kohl on the ten-point plan, is assassinated, allegedly by the (non-existent) Red Army Faction terrorists.

**December:** Under heavy pressure from Britain, France, the United States, and the Soviets—the four occupying powers in Germany—Kohl secretly agrees to give up the Deutschmark and to join the European economic and monetary union, as the price for reunification of East and West Germany. Kohl later describes these as “some of the darkest hours of my life.”

Some 30,000 U.S. troops invade Panama. An estimated 4,000 Panamanians are killed in the invasion, and head of state Gen. Manuel Noriega is arrested and brought to U.S., where he is tried and sentenced—and is still serving time in solitary confinement.

## 1990

U.S. Secretary of Defense Dick Cheney secretly assigns Paul Wolfowitz, Lewis Libby, and others, to come up with a new strategy for the United States after the fall of the Berlin Wall.

**January:** The Schiller Institute in Germany publishes the LaRouche-inspired program for the “Productive Triangle, Paris-Berlin-Vienna: Locomotive for the World Economy.” The proposal is based on building a new transportation

and energy infrastructure for Europe, using the most modern rail, power, and water transport technologies, in order to transform Eastern Europe into the engine for world economic recovery.

**May:** German President Richard von Weizsäcker addresses the German Parliament on the “great historic opportunity of Europe.”

Paul Wolfowitz briefs Cheney on the proposed new strategic doctrine for the United States, which centers on the notion that, with the collapse of the Soviet bloc, the U.S. will not permit the emergence of any new rival power (see Postscript, below). Cheney is so enthralled with Wolfowitz’s presentation that Colin Powell, then the Chairman of the Joint Chiefs of Staff, does not get to make his alternative presentation. Cheney instructs the Wolfowitz group to continue working on the new doctrine.

**September:** Secretary of State James Baker, in testimony before the House Foreign Affairs Committee, announces that control of raw materials is considered a *casus belli* for the U.S. decision to deploy military forces to the Persian Gulf.

**October:** Germany is re-unified, subject to secret protocols requiring German integration into the European monetary union and into NATO.

## 1991

**January:** The United States bombs Iraq for weeks, prior to launching a land invasion.

**April:** Detlev Karsten Rohwedder, head of the German Treuhand agency, in charge of economic integration of eastern Germany, is slain.

UN Security Council Resolution 687 dictates cease-fire conditions to Iraq. Among the conditions are that Iraq “scru-

pulously adhere” to meeting its foreign debt obligations, and that its oil production fall under supranational authority.

**May 21:** Former Indian Prime Minister Rajiv Gandhi, running for office once more, is assassinated.

**July:** Pope John Paul II issues *Centesimus Annus*, which calls for building a just new world economic order against the policies of both the East and West, noting that despite the fall of communism in East Europe, “Vast multitudes are still living in conditions of great material and moral poverty. . . . For this reason, another name for peace is development.”

**August:** There is an attempted coup against Mikhail Gorbachov in Soviet Union.

**September:** Boris Yeltsin takes over from Gorbachov, and the Soviet Union is on its way to dissolution.

**October:** The UN Security Council Resolution 715 against the Iraqi nuclear program extends the notion of “dual-use technology” to ban an array of technologies including lasers, high-temperature furnaces, high-strength steel, and the like. The resolution bans any scientific research in physics and chemistry.

## Postscript

In February 1992, Dick Cheney’s new strategic doctrine for the world’s sole superpower, contained in the draft “Defense Planning Guidance,” is leaked to the press. The key element of the draft states:

“This Defense Planning guidance addresses the fundamentally new situation which has been created by the collapse of the Soviet Union, the disintegration of the internal as well as the external empire, and the discrediting of communism as an ideology with global pretensions and influence. The new international environment has also been shaped by the victory of the United States and its coalition allies over Iraqi aggression—the first post-Cold War conflict and a defining event in U.S. global leadership. In addition to these two victories, there has been a less visible one, the integration of Germany and Japan into a U.S.-led system of collective security and the creation of a democratic ‘zone of peace.’

“Our first objective is to prevent the re-emergence of a new rival, either on the territory of the former Soviet Union or elsewhere, that poses a threat on the order of that posed formerly by the Soviet Union. This is a dominant consideration underlying the new regional defense strategy and requires that we endeavor to prevent any hostile power from dominating a region whose resources would, under consolidated control, be sufficient to generate global power. These regions include Western Europe, East Asia, the territory of the former Soviet Union, and Southwest Asia.

“[W]e will retain the pre-eminent responsibility for addressing selectively those wrongs which threaten not only our interests, but those of our allies or friends, or which could seriously unsettle international relations. Various types of U.S. interests may be involved in such instances: access to vital raw materials, primarily Persian Gulf oil.”