

## Battle for Mexico Under Way, Energy Policy Is Central

by Harley Schlanger

In the midst of an intense debate on national energy policy in the Mexican Senate on April 16, between leading figures of the major opposing parties, Manuel Bartlett (of the opposition PRI) said to Senator Rodríguez Pratts (of the governing PAN), “You are a threat to the existence of our Republic.” Bartlett’s comment provoked spontaneous applause from the packed gallery.

This debate opened up to public view the stakes in the Fox government’s campaign to complete the transformation of Mexico from a sovereign republic, with a protected national energy sector, to a colonial satrap of the energy and banking cartels of the United States. While Mexico’s accep-

tance of the North American Free Trade Agreement (NAFTA) represented an important step in this direction for the cartels, they have set their sights on the final, significant step to eliminate the sovereignty of Mexico: the repeal of Article 27 of the Mexican Constitution, which protects the natural resources of the nation from foreign predators, by placing them in the hands of the state.

The National Action Party (PAN) of President Vicente Fox, for whom Rodríguez Pratts serves as a key spokesman in the Senate, is committed to this transformation, under the slogan of “free trade.” Guided by the ideology of the globalist extremists of the Mont Pelerin Society, the PANistas argue that deregulation and privatization will “increase competition,” which will “increase efficiency,” thereby, “lowering prices.”

The experience with deregulation in the United States over the last two decades demonstrates that this argument is a fraud. In reality, the PAN leaders are engaged in a shameless sellout of the future of Mexico to the cartels.

I was in the Senate gallery on that day, present as the Western States Spokesman for 2004 U.S. Democratic Presidential pre-candidate Lyndon LaRouche, with Nevada State Sen. Joseph Neal. We were invited by Marivilia Carrasco, chairman in Mexico of the Ibero-American Solidarity Movement (MSIA)—the LaRouche movement in South and Central America—to participate in public and private meetings in



*Conference against electricity deregulation in Mexico, held in the Chamber of Deputies (the national Congress), was organized by PRI Congressman Benjamin Ayala (in light jacket), and addressed by Lyndon LaRouche, MSIA leader Marivilia Carrasco, Nevada State Sen. Joseph Neal (to her left), and LaRouche Southwest coordinator Harley Schlanger (to Deputy Ayala’s right).*

the defense of Mexican sovereignty, and on behalf of LaRouche's proposal for convening a conference for a New Bretton Woods monetary system.

### **'Enron-ization' of Mexico**

The strategy being pursued by Fox and the PAN, to break the resistance to this transformation in Mexico, has been developed in the boardrooms of energy firms, banks, and investment houses in Houston, New York, and London. The goal of these "privateers" is to grab Mexico's oil and gas, and its national energy company, CFE.

One of the leaders in this effort is Enron—though bankrupt and disgraced in the United States, operatives of this crooked company are still engaged in subversion in Mexico, in collaboration with the party of the Mexican President!

Until recently, their strategy was openly discussed in the United States. For example, on April 17, 2001, a lecture was presented in Houston as part of a seminar series, with the title, "The Oil Is Ours! Whither Pemex?" a reference to Mexico's national oil company, Petroleos de México. The speaker was Dr. Michelle M. Foss, assistant research professor at the Energy Institute of the Bauer College of Business, at the University of Houston. The institute is funded by Enron, Dynegy, Duke Energy International, and Reliant—the very companies responsible for last year's California electricity crisis—as well as BP Amoco, Shell, and Texaco Global Gas. Foss served as coordinator for the Natural Gas Project, established by former Enron CEO Kenneth Lay.

In her lecture, Foss said, "The search is on for a loophole in the Mexican Constitution that would provide for other companies besides Pemex" to profit from Mexico's oil and gas reserves. The problem, she said, is that "Pemex filters through all of Mexican society. It has to be dealt with." After praising Fox as a "remarkable man . . . who understands business," she added that "it is encouraging that this matter is creeping into the national debate."

The speech given by Rodríguez Pratts last week, which was accurately characterized by Senator Bartlett as a "threat to the existence" of Mexico, represented the next phase of this debate, for which Foss and her financial sponsors have been preparing.

### **Deregulation Fraud Exposed**

In private meetings during our visit, Senator Neal and I reported to Mexican officials, businessmen, and university figures how Enron, et al., had succeeded in their efforts to deregulate the energy sector in the United States. Senator Neal, an expert in this area, who was responsible for halting deregulation in Nevada, explained that the regulation of energy—particularly the regulation of electricity—had been a major feature of President Franklin Roosevelt's anti-Depression program, to rein in Wall Street predators in the 1930s.

One of the most significant of these meetings occurred in a hall in the Chamber of Deputies (the National Congress of

Mexico), in the presence of the national press and at least ten Congressmen. Senator Neal and I presented not only the reasons for the collapse of Enron; but that, far from being an isolated case, it is part of the systemic disintegration of the post-1971 neo-liberal model which has been imposed on the U.S. economy.

"It is this systemic collapse which compels the U.S.-based cartels to seek new sources of loot, as in their campaign for deregulation and privatization in Mexico," I said, in conclusion.

This sparked an intense debate with the PANistas present. PAN Deputy Héctor González Reza expressed his anxiety over these presentations, which devastated the argument for more liberalization, deregulation, etc. At the conclusion of a debate in which he took part, the badly flustered Deputy fled the room, saying he would continue the discussion "via e-mail."

Another highlight of this tour was a public meeting sponsored by the MSIA, attended by approximately 100 officials from leading institutions, which was addressed by Lyndon LaRouche (see report following).

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Lyndon H. LaRouche, Jr.

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## **Energy Policy and The Strategic Crisis**

*U.S. Democratic Party Presidential pre-candidate Lyndon H. LaRouche, Jr. addressed the April 16, seminar in Mexico City sponsored by EIR and the Ibero-American Solidarity Movement (MSIA). The meeting convened on the 20th anniversary of LaRouche's influential document Operation Juárez, which he dedicated to Mexico, while that nation was fighting for its economic survival and independence in 1982. After LaRouche spoke by telephone, Nevada State Sen. and LaRouche campaign spokesman Harley Schlanger, who were visiting in Mexico, also spoke. Here is LaRouche's speech, and the discussion after it.*

We have three subjects to consider, in order to put the energy policy issues into focus, particularly as they affect both Mexico, and specifically the relationship of Mexico with the United States.

Now, as you probably have noticed, the United States is presently not capable of delivering an effective policy in many crucial areas. And, the number of areas in which this is the case, has increased. You've noticed, recently, the coup and the counter-coup in Venezuela. This is typical of the confusion in

the state of the United States government, the Executive branch. We have a similar situation, which you may have observed in Colombia. You have three policies on Colombia, all coming from the same government, but from different factions inside the U.S. government: One: proposals now to support my policy on dealing with narco-terrorism. That's sane. Then, you have some other people, who want to have U.S. troops in Colombia, in effect: That's *insane*. I oppose that. You have a third group, that doesn't want it to happen at all, because they are making money in doing business with the narco-terrorists.

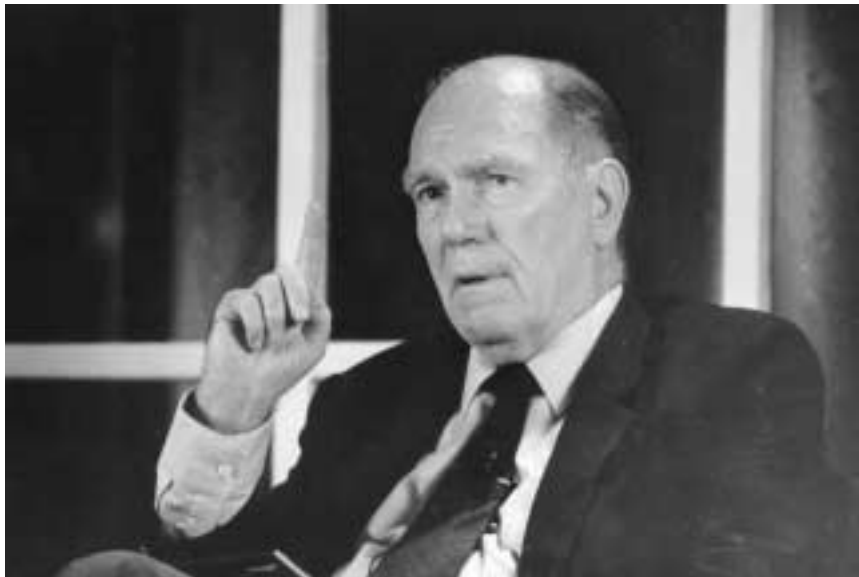
So, therefore, you see the mess of indecision in Colombia, as also the mess you see in the Venezuela coup and counter-coup. And who knows what comes next.

You look at the monetary-financial system: The international monetary and financial system is collapsing. The policies of the United States, at present, will ensure the acceleration of that collapse, which is on the edge, now. And, there's no sign of any rational policy from the U.S. government, from *any* leading faction, on this issue. The collapse is onrushing, and that's a key part of our energy policy problem.

You see a strategic crisis. You see a war in Afghanistan, which has not been won, but which is just beginning. You see the danger of a Middle East war, an attack on Iraq, on top of the present Israeli-Palestinian war. And, we are told by the U.S. military, that it would take a half-million U.S. troops into the Middle East to deal with the Iraq war, planned for later this year. The United States does not *have* a half-million troops to put in. And, the same thing goes in the general area of military policy overall. The United States is *losing* its strategic military capability; while it's spending a lot of money in the military areas, it is not being effectively spent, and will not, at the present rate. So, these are the kinds of problems.

In addition to that, we have the failure of the so-called "New Economy"; it's totally collapsed. We have a catastrophic failure of globalization, in the respect, that the so-called role of the United States as an "importer of last resort," is breaking down. This affects China; this is causing a crisis for Japan, which may blow up at any time; this is, also, of course, a great crisis for Mexico, whose dependency upon the U.S. market, both through the *maquiladoras* and other operations, is a crucial factor.

So, at the present time, there is no sign of a solution from the U.S. government. And, under the present policies, there will not be. So, my job is to inform you of what the situation



*LaRouche told the Mexican officials and intellectuals, "The coup and the counter-coup in Venezuela [are] typical of the confusion in the state of the United States government: the Executive branch. We have a similar situation, which you may have observed in Colombia."*

is, while I, at the same time, am doing as much as I can, to try to *change* the situation, in and around the U.S. government, hoping that the crisis itself will force the government to clean up some of the messes in its own policy-making and policy-implementing apparatus.

## Go Back to Policies That Work

The question is, what is the solution to these crises, particularly on the economic side, as they affect energy policy? On the one hand, it's obvious, that what worked in the past, was what Franklin Roosevelt, as President of the United States, did from 1933 through 1945, in organizing an economic recovery of a United States which was on the verge of going the way of Hitler, if Franklin Roosevelt had not been President; conducting the struggle during the war; and leaving a legacy, which, while it was not fully carried out, was generally beneficial to much of the world, over the period between 1945 and 1965.

From 1971, and in particular from 1982—especially for Ibero-America—the changed policies, which were introduced in the middle of the 1960s, have proven themselves a 35-year-long disaster, for the United States itself, and for the entirety of Central and South America. So, therefore, we've made a terrible mistake, with these changes in policy. We should be going back to the direction of the Franklin Roosevelt policy between 1933 and 1945, as an example of the way in which to make policy, both within our nations, and among our nations. And, we must also recognize the importance of going back, specifically, to a protectionist model of economy, which is the type of model which has always worked for the

United States, and has been the best model for the countries of Central and South America.

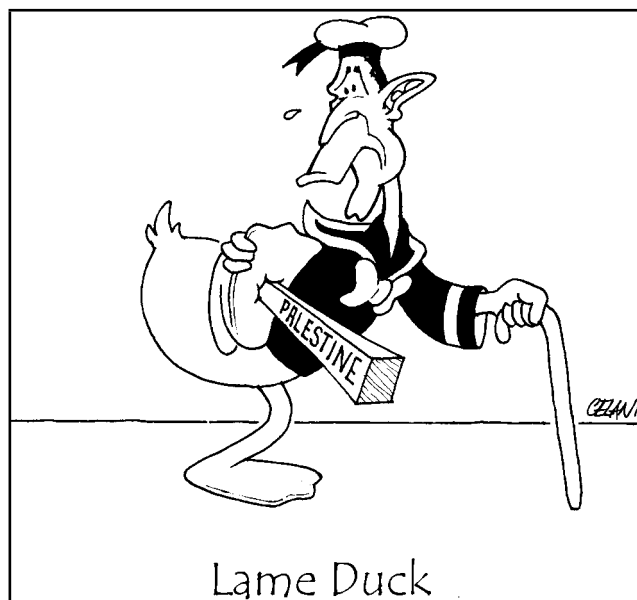
Now, the problem today is this, in terms of energy, as such: We do not have enough energy. That is, we have destroyed the energy system, especially since Jimmy Carter became President of the United States. Carter's boss was actually Zbigniew Brzezinski. And, while Carter is responsible for what he did as President, I don't think he was responsible, in the sense of knowing what he was doing. But, Brzezinski *did* represent the forces which planned these policies, which have caused a crisis for Mexico and other countries, as well as for the United States people, themselves. You will observe, if you study the figures: If you look at the lower 80% of the family-income brackets of the United States, the lower 80% of the U.S. population family-income brackets have been losing positions at a catastrophic rate, ever since Carter was inaugurated as President. And you see similar, or worse effects, throughout the nations of the hemisphere—Mexico and south.

So, obviously, what we have to do, is go back to policies that *did* work, to the idea of a protectionist approach, to basic economic infrastructure, including energy supplies. What we have to do, essentially, is to have two things: We must have a return to a protectionist model of the international monetary and financial system, to replace the present, bankrupt model. There's no way that this present system, can survive; it is doomed. There is no recovery possible, within the framework of the present IMF system. *It can not recover, ever*, under that system. However, it *could* recover, if we applied the lessons of 1945-1965, to reform the monetary system, to function in the way we did for the post-war recovery, following 1945. We could organize a recovery, by returning to the model of monetary system, which worked successfully for us, in those immediate, two post-war decades. And, that's what we must do.

We must go back, largely, to what, in the United States, are *Franklin Roosevelt policies for recovery and security*.

### Credit for Economic Infrastructure

Now, what we require for this purpose, is a large mass of publicly organized credit, at borrowing costs between 1% and 2% simple interest rate. This credit must be used, largely, for basic economic infrastructure. The building and maintenance of basic economic infrastructure, is properly about one-half of the total economic activity of any nation. This is an area, which, in general, must be either government-directed, government-operated, or government-regulated: This includes things such as public education systems, energy systems, general transportation systems, like railways and so forth; it includes water management systems; and, of course, social, health-care, and general welfare systems. These are essentially the responsibilities of either a national government, or state and municipal authorities. And, they are public works; they are public events. Sometimes, you can legally create an



arrangement, under which private investors may invest in a public utility, *under government regulation*, and that is also an acceptable form. But, we're still talking about 50%, or more, of total expenditure, total activity, of a national economy *must* be in the area of basic economic infrastructure. Otherwise, the economy will not be an effective one.

It's the lack of such infrastructure, which causes the perpetual underdevelopment of so-called developing nations. They don't have the infrastructure, in order to make their labor force, as a whole, productive. Even by investing in so-called modern industries: The poverty of the economy around these industries, drags even those industries down.

We must also have an adequate amount of this infrastructure, especially in the area of energy. Since it takes some five to ten years, to put into place, even the basic elements of an increment of an energy supply—that is, for a large power station, and its associated distribution apparatus—we must put these things in there, *before* they are needed. Otherwise, we won't have them, when we need them, under conditions of growth. This means, we have to set prices; we have to regulate prices; we have to set up the kind of regulations we had before, in order to get this going.

### The Case of Mexico

Now, let's take the case in Mexico, in particular: In the post-1982 period, Mexico shifted increasingly toward dependency upon the U.S. market for Mexico's existence. Now, much of that U.S. market has collapsed. Under present conditions, that market will collapse more. Mexican exports to the United States will collapse, under these conditions. Therefore, Mexico is forced to turn back to putting a greater proportional emphasis upon its *internal market*, such as power stations; development of energy resources, and their regulation;

the development of the transportation system; the development of new urban centers, which can be centers of well-supported production, that is, in terms of infrastructure—that sort of thing. This means, regulation of these things. It means, as I said, a totally regulated infrastructural section, and it requires protectionist measures. This does not mean that the U.S. market should collapse entirely for Mexico. It means that Mexico must return back to a greater emphasis, on the *internal market*, an internal market, which could be most greatly stimulated, by the impact of increasing employment in state-backed basic economic infrastructure.

That's the direction we have to go in, in Mexico, Mexico-U.S. relations. That is the way the *world* has to go. As you know, I'm very much involved intellectually, in proposing what because first known as the "European Triangle," for the post-1989 construction of Europe, and for the post-1992 effort to establish a Eurasian Land-Bridge, which will be the greatest market in the world, if it's developed; in which we would hope we would participate, as partners.

But, we're in that type of period, in which a large-scale new system, large-scale objectives of this type, is absolutely necessary, for a recovery in any part of the world.

But what we have today, being proposed in various countries, is *more* globalization, which is disaster. *More* deregulation, which is national suicide. And, the problem is—also at the same time, as I said, the problem is, that the *idea of the nation-state*, has been undermined. It's no longer popular. It's no longer fashionable.

But, in point of fact, let's come back to a simple question: If you have a depression, how do you get out of an economic depression? There's only one way you can get out of an economic depression: as an act of will. And, that is, an action taken, chiefly, by government. Government reorganizes its financial affairs, reorganizes its banking system, with the purpose of using the power of the state, to create *state debt*, as a way of generating the capital flows *needed to employ labor, in expanded production*. The greatest amount of expansion in any economy, will come, first, from expansion in basic economic infrastructure. The expansion in basic economic infrastructure will have two effects on general employment: First of all, the fact that you've increased employment, will increase the purchases by people who are employed. You will increase the business available to contractors, who participate in construction projects, and things of that sort. It will then stimulate the growth of new industries, in the environment of the infrastructural development. The benefits of the infrastructure, will improve the opportunities for new industries and employment. And, thus, by the intelligent use of credit in a regulated way, you can stimulate an economy, to recover through this process of increased public employment, and directed efforts to cause private employment to respond to the increase in public employment, for a general growth of the total national income.

That's the answer for Mexico. That's the answer for virtu-

ally every country in the world. It's the answer for every country in Europe.

## Essential Role of the State

In order to do this, however, you must have an accountable, nation-state republic, whose government can make commitments of indebtedness, of a span of 25 years into the future. That is, in order to do this, you must have a national government, which, under its Constitution, is able to incur a debt, of 25 years' life, at fixed, low interest rates, and use that public debt as a way of stimulating the growth of the internal market. If that is not done, any country that does not do that, now, *is doomed* to a horrible economic depression, beyond anything presently experienced. Therefore, in this area of energy, energy is one of the chief categories for investment in this kind of infrastructure requirement. Energy investment goes together with mass transportation; it goes together with water management; it goes together with public sanitation, and so forth.

So, this is the leading edge: If you can not have a focus of public credit, on a *regulated energy industry*, regulated for a forward period of up to 25 years, the likelihood of a recovery, in today's economies, is very small. With that, we can recover. That means, a protectionist system, of the type we used to have, in which we used to take pride. And, what we have to do, is look back at the best aspects of the experience, especially of the post-war period—1945 to '65, and a little bit beyond; look at what we did, then. And say, "Those rules, by which we operated, *were sane*. We improved. Justice may not have been fully achieved, but we improved." Since then—and for, of course Central and South Americas—since 1982, the economies have been going into the pit. The people have been sent into the pit.

So, obviously, the policies we had between 1945-1965—as against those we've had later, to the present time—we know that we made a mistake; for the past 35 years, largely, for the United States, have been a big mistake. We have to *admit our mistake*, and go back to the idea of a nation-state economy, which it used to take pride in, when Franklin Roosevelt was President, and before Johnson left office.

Thank you.

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## 'A Dialogue About Ideas'

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**Q:** I am a retired electrical worker. My question is: Why, today, are we as bad off as we were in 1923? The problem today is the corruption which exists among President Fox, the director of the Luz y Fuerza company, and the Mexican Union of Electrical Workers. We have to put an end to corruption. The solution is to raise electricity rates for industrialists, and lower the rate for the people.

**LaRouche:** I don't think it's necessary to do much, in terms of discriminatory prices. I agree that we have to look—as I said before—at things from the past, at lessons from the



*Mexico's sovereignty over its national energy company, Pemex, is directly at stake in the fight to stop Enron-style "deregulation," which has been proposed by President Vicente Fox's government.*

past, as a basis for popular understanding, especially, of the present. That is, if you wish to make a radical change in policy that is needed, now, you must, to the degree possible, find in the experience of the people—at least, *as a people*—the lesson to which you can refer, which enables the people to understand what you're proposing and what you're doing.

Often, usually in politics, that is a precondition, for any sudden change. So, obviously, the experience of Mexico of the past, is very important for the present. But, in general, if we do the right thing, we can produce energy; and if we're stimulating the economy, we can produce energy in quantities and at prices that will benefit the people. And, we don't have to be discriminatory about it.

If somebody is an employer, and produces and is employing people, then we encourage that. But we also protect the people who work. If someone wants energy, which is, say, in short supply, for purposes which are not useful for the economy, well, obviously, they should pay a premium. But, otherwise, I frown on discrimination in prices. I think we have to have abundant energy, available to all, and especially for the needs of all concerned: for the households, for the community, for projects of national and local importance, for industry, for employers, and for anybody else—with, of course, naturally, I would agree, priority on those people who are most important for what they do for society, that they should certainly always have that first.

In the United States, we have a law, which is the fundamental law of the United States: It's in the Federal Constitution's Preamble. It's not original to the United States, although it's known as that. It's actually a law, which was introduced into European civilization in the 15th Century, in the great Renaissance. It's the law of the Common Good: that government has no right to rule, except as it is efficiently committed to promote the General Welfare, the Common Good, for the people as a whole—for *all* of the people—and

for their posterity.

I think the question of prices, the question of priorities and so forth, is best approached, not with a formula, as much as with an understanding of that law: That no government has the right to rule, except as it is efficiently committed to serve the purposes of the General Welfare. Under those conditions, yes, we can do well.

What happened in the 1920s? Well, Mexico had a certain experience with Woodrow Wilson, who was an enthusiast for the Ku Klux Klan, and a follower of the filibusters, who, from Polk on, and so forth, invaded and looted Mexico. So, if we find that the 1920s are not a good period in the history of Mexico-U.S. relations, don't be surprised. The improvement came with Franklin Roosevelt. It may not have been a perfect improvement, but at least it was an improvement, and Roosevelt proceeded from the standpoint of the General Welfare. So, if a man is efficiently serving the General Welfare, even if he's not doing so perfectly, we'll put up with his government.

## **An Initiative for Nation-Building**

**Q:** Good evening. My name is Manuel Frias Alcaraz, and I'm the author of the "Mexico in the Third Millennium" national project. Mr. LaRouche, you've touched on a fundamental point for reactivating the economies of all of the developing sector countries. It's the case that, during the terms of President Roosevelt, with his New Deal program, the economy of the United States was reactivated in depth, and it is now the great world power that it is. In Latin America, in the recent gathering on "Financing for Development," it was again shown that globalization benefits the industrialized nations, and the international trade and financial institutions.

In Mexico, we have a long-term project of broad scope to reestablish our worth as a nation, to develop our enormous hydroelectric potential, our water-management potential, and, in general, our energy potential, and to create conditions appropriate for the country to overcome its terrible underdevelopment. This project consists of important basic infrastructure projects, which, as you correctly noted, are the basis for the reactivation of the economy through productive labor and constructive activities. Mexico and the countries of Latin America have an enormous debt to their populations, and we have this enormous potential, which I believe that people as important in the world as yourself and other great thinkers would have the responsibility to promote in countries such as Mexico.

This "Mexico in the Third Millennium" project, I would like you to know, has been presented to Mexican authorities and various organizations in my country, and has as its objective that the country advance and resolve its underlying problems, which are those of poverty, inequality, and that we have a better future.

I would just like to congratulate you, and especially, I would like an answer from you: How can we Mexicans, with this nation-building project, find the opportunity to solve

our problems?

Thank you very much, for your attention.

**LaRouche:** Well, first of all, what we have to do, is we have to work together. This is not merely a matter of working together as nation-to-nation, government-to-government; this is also people-to-people. That's extremely important—like the discussion we're having. These represent ideas. We have to establish a dialogue about ideas. We have to establish a sense of what should be the common purpose of our respective sovereign governments; what our interests are. For example: The security of Mexico is an essential part of the security of the United States. Therefore, people in the United States, who have any sense, should be very concerned about the well-being of the people of Mexico, and the stability of Mexico, and the prosperity of Mexico. It's to our benefit, that Mexico be prosperous; that it be secure; that it be stable. And, anyone in Washington who doesn't understand that, is an idiot!

Now, there's one thing I'd like to emphasize to you: The United States is not a prosperous nation. Let me point at what happened (it happened also in Mexico, too, but in a different way): From the middle of the 1960s, the United States began to undergo a fundamental change in its character as a nation, especially in its economy. We used to be a *producer* economy. That is, that the basic idea of most people was that you produced the wealth, for society, in amounts adequate to provide what you required as income. So, you saw a cause-and-effect relationship between *your* productivity, the productivity in your community, and the welfare of the nation, in which you participated.

In the middle of the 1960s, we changed that: We went from a producer society, to a consumer society. We went to that, just like ancient Rome, at the end of the Second Punic War, shifted, fundamentally, with the massive introduction of slavery in Italy; it went to a consumer society, in which Italy produced less and less of its own needs. And, extracted its own needs, at cheap prices, from countries which had been subjugated by the Roman legions.

### **An Economic System Based on Slavery**

What has happened in the past 35 years, especially since 1971, when Nixon repealed the gold-reserve standard, is that the world has been put *increasingly, into slavery to produce what the United States eats*. That is, by driving down the prices that are paid for the products in the Americas—Mexico, South America—the prices actually paid on the world market, for the products of these countries were slashed. The United States says, "We'll take these at *our* prices." Europe was involved in the same agreement. So was Japan.

So, now we had dependent countries, which were being looted of their product, at prices which were dictated, through international monetary authorities, and they were looted! The United States population lost its employment. The jobs went to Mexico; they went to China; they went to Southeast Asia; they went to other places. And, American factories were emp-

tied. The United States people *do not produce* most of their own products, any more. They are a non-productive, consuming society, employed in make-work services, which have no intrinsic value.

Now, how do we pay for that? Well, we don't—we, in the United States. We have a current-account deficit, which is now approaching \$1 trillion a year. (Maybe it's there, I don't know: The figures are so faked, you can't tell. But it's in that order of magnitude.) In addition to that, the United States financial markets, which otherwise would collapse, are being kept supported, by a vast amount of financial inflows, into the United States, into the U.S. markets, from Europe, from Japan, and elsewhere. So, therefore, we are a *parasite economy*! We are not a prosperous, healthy economy. We are a *sick* economy! Very sick! Living on the rest of the world, through what's called "globalization" and "free trade." And, that's what free trade and globalization means: It means, in Mexico, in South America, in Asia, and so forth: "We eat, from your labor. But we don't pay for it."

And, that's what the problem is: a completely inequitable system. And, we have to understand what kind of a world that system will lead to. We have an example, in the fall of the Roman Empire. It took about 300 years, from Augustus Caesar, seizing power, until the Roman Empire in the West collapsed. But it collapsed. Now, over the past century, we've had a similar trend in European civilization: a moral degeneracy, which has spread increasingly, through two world wars, and especially through the past 35 years. And, this is destroying civilization around us.

Our interest goes deeper, than what we eat today. Our interest goes, essentially, to what kind of grandchildren are we going to have? What kind of *life* are those grandchildren going to have? What kind of a chance do these nations have? Or our grandchildren, under those kinds of conditions, of a collapsing caricature of a defunct Roman Empire? And, when we can rise to a higher standard, than looking at our material interests, as such, and look at our *immortal* interests—that is, the interest in our mortal life, which lives beyond us; the interest of ideas; the interest of benefits to our grandchildren, and those who come after them; and find our purpose in life, in living our life, such that we give *them* the benefit of our having lived, and say, "Our interests are defined, accordingly": When we think in *those* kind of moral terms, *then*, we shall understand what we need to do. And, if we *think* in those terms, we can *talk* to one another, understand one another, and cooperate.

### **How Can We Change Bankrupt Policies?**

**Q:** Good evening, Mr. LaRouche. I'm a professor of constitutional law at the National Autonomous University of Mexico. I agree with many of your views. I think that, in fact, we have to promote the construction of infrastructure. The problem which you are posing, is to contract debt, to issue 25-30 year debt bonds. I have a doubt about this: What would

be the inflationary effects of this? And, also, what power can be used to motivate the political structures to change their policies, which, at this point, are shaped by a neo-liberal model?

**LaRouche:** Very good. Well, first of all, look at the problem that George Bush, the President of the United States, is having. That's why I mentioned this, at the beginning of my remarks. Because, if you look at the mess with U.S. policy in Colombia, which some of you, of course, who follow these things in the Americas, would recognize. This is an absolute disaster! It's not only a disaster for the people of Colombia; it's a disaster *made in the United States*, by the inability of the incumbent Presidency of the United States—and that is not to say anything good about the *previous* Presidencies—but the incumbent President of the United States is *absolutely incompetent*, so far, to come up with a consistent, effective policy on Colombia. And, that is, that policy which affects the entire hemisphere. If Colombia is destroyed, what happens to the hemisphere? We've already got enough problems.

Now, look at Venezuela. Now, I'm not going to take sides on Venezuela, on either side. But, the way the United States handled the coup and counter-coup—and every politician who knows anything, knows that—shows you that, in Washington, the Presidency of the United States *is not competently in charge of its own policy-making!* Somebody made a coup, with U.S. blessing. After negotiations in Florida—the usual thing. And, a coup was organized in Venezuela against the Chávez government. This backfired. Somebody in Washington realized that this thing wasn't working, so they supported and they accepted a counter-coup! What kind of government is that?

You look at the monetary and financial policies of the United States: They're talking about a recovery! There *never* will be a recovery under the present policies! They talk about a stimulus package: Their present military stimulus package, is not a stimulus package. It won't work. You're just passing out some money to some of the people who backed George Bush, in the last election. That's all it is. There's no real, net gain, to the military, of what they're proposing.

There's a general strategic crisis—the Middle East. They're trying to *plunge* the world into a general Clash of Civilizations war, which is what this attack on Iraq would mean. You have an Israel, that's out of control. Literally a fascist government of Israel, and the United States calls it a “democracy.” The United States, if it would support the Europeans and others on this issue, we *could bring that thing under control*, and end this bloodshed. We might not have a perfect solution, but at least, we wouldn't have all the killing! And, then, we can work our way up from there.

The problem is just this; this is what you're looking at. If you look at it as an historian, you'd say: “This is a Classical tragedy. The tragedy of an entire nation; of a great power, which is about to crumble into dust, from its own incapacity to deal with its problems.” Now, I don't want my government

of the United States, to crumble into dust. But, that's where it's heading, right now, together with the government of Israel, which is headed toward doom, a self-imposed doom. And, therefore, in history, we find that we come to a point of crisis, in which you either have a tragedy—that is, the inertia of the present policies continue to work their way to doom, like the Persian Emperor going to Plains of Gargamela, to be slaughtered—overpowered, and slaughtered by Alexander the Great. Or, the so-called Sublime happens: We inspire ourselves, with an idea of what will address this crisis and change it.

Our greatest chance for doing this—I realize what you're saying: Yes, we have *terrible* problems, with these institutions to ever *dream* of their accepting what we're discussing. Ah! But, there's a factor in history—the factor of crisis: At a point of crisis, when it becomes manifest, that a certain kind of government doesn't work, that a certain public opinion doesn't work; you come into a time of very *sudden, sweeping changes in public opinion*. And, if you have a *good idea*, which can inspire the people, and inspire institutions to change the way they behave, *that nation, that people can save itself*, from what is, otherwise, inevitable crisis. And, I would propose to you, that what we're seeing as some of the symptoms, I've just indicated—and I could give you a whole list more—at present, *unless we change*, unless the U.S. government changes—changes the way it does things, changes many of its policies—this United States is not going to last very much longer. It will crumble, just like the Roman Empire of the past.

And, therefore, I think, in a time of crisis, those of us, who present the optimistic alternative, to a present disaster, suddenly have a capacity to influence populations, which would have seemed impossible, in the preceding time. I think, that is our opportunity. And, this is the time we must *seize* that opportunity.

## Neo-Liberals and ‘Universal Fascists’

**Q:** Mr. LaRouche, I'm a university professor. I congratulate you for your ideas, with which I agree. I would like to ask you to please tell me what the role of the Trilateral Commission was in the development and design of the neo-liberal model. And what role is it playing today? Thank you very much.

**LaRouche:** Well, the key author of this design, the neo-liberal model, the central agency involved, was an organization, which was created in Britain, under the personal sponsorship of Winston Churchill, in the immediate post-war period: It's called the Mont Pelerin Society, because it held its founding conference in the Mont Pelerin area, in Switzerland. It was headed, for the duration of his life, by Friedrich von Hayek, who was a follower of the pro-Satanist, Bernard Mandeville. This is not a good recommendation.

Now, as part of a racist “renaissance,” in the United States, partly provoked as a reaction against the leadership of Martin



Luther King, and Johnson's collaboration with Martin Luther King in the Civil Rights laws of 1964—this group, gathered around Richard Nixon, launched Nixon's campaign for the Presidency, around two basic themes: number one, racism. Nixon went down to Mississippi, and he met with the leaders of the Ku Klux Klan, as a launching pad for his campaign for the Presidency. Also, the Mont Pelerin Society ideas. Now, remember, Milton Friedman is—he's a very stupid example—he was rightly described by Joan Robinson as the "professor of *post hoc ergo propter hoc*"; but, nonetheless, this became the official ideology. Now, then, as a by-product, of this turn toward a monetarist, or radically monetarist policy—or what is called a "neo-liberal" policy, today—the Trilateral Commission was organized by Zbigniew Brzezinski, who, I tell you, is manifestly crazy. He's insane, and dangerously so.

Brzezinski organized, with the sponsorship of David Rockefeller, the Trilateral Commission. The Trilateral Commission is really a "universal fascist" organization, at least by the intention of Brzezinski, Huntington, and other people involved. Others involved in the Trilateral Commission are a different story—people jumped onboard because it was important.

Brzezinski created the Carter Administration. Brzezinski personally chose Carter to become President, and made him President. Brzezinski ran the Carter Administration—like a dictator—and revised the security procedures of the U.S. gov-

ernment, and so forth, while he was in charge there. So, the Trilateral Commission is not, in itself—and George [H.W.] Bush was a member of it, during the 1970s—but, the Trilateral Commission is not the problem.

The problem is, there is a faction, inside Anglo-American institutions, in particular, which models itself on the Roman Empire. And the book to reference on this, is Huntington's *The Soldier and the State*. Now, this is the book, which is published, again, and again, and again, in its original form, since the 1950s, when it was first produced, under Kissinger's friends at Harvard: This book is the basic manual for *world military dictatorship*, Roman Empire-style. And, it has the same characteristics, as a military policy, as the policy of the Nazi Waffen-SS. Of course, when Huntington was writing the book, back in the 1950s, it was not considered *popular*, to say, "I propose the revival of the Nazi military system"; so, he called it something else. But, if you read the book, and know military policy, you realize that Huntington is what is called a "universal fascist"; who has proposed, as a U.S. system, or an Anglo-American system, of world government, a world empire, ruled over by military forces, which are modelled upon both the Roman legions and, more recently, the Nazi Waffen-SS.

That's what the problem is. The problem with the neo-liberals, is this: Neo-liberalism—and anyone who understands it [knows]—will destroy any modern economy it touches, if it persists long enough. It destroys the nation-state; it destroys the small entrepreneur, including the farmer; the small businessman, especially one in technology and so forth, who is essential to the society; it puts all power in the corporations, in the hands of a financial clique, who use the large corporations they control, as a weapon against society—they may produce something, but their essential political motive is that.

And, the question here, is a political question: Do we want the kind of society, in which the *individual* intellect, the developed intellect of the individual person, makes contributions to the progress of society? Or, do we want to reduce our typical citizen to a serf, who is not supposed to think; who is supposed to do as he's told; who's not allowed to have a farm, that he actually controls; who is not allowed to be a small entrepreneur; and to have this kind of thing? So, the issue is, a *philosophy*, typified by the Mont Pelerin Society, in which the worst aspects of the Trilateral Commission, are simply an expression of that. For example: I could name institutions which are equally important: the H. Smith Richardson Foundation, which is a fascist institution; the various foundations, and so forth, run by the Mellon family, and the Mellon Scaife family; the Olin Institute, up at Harvard. And, so forth. There's a long list of these institutions, in the United States and elsewhere, which are outrightly fascist institutions, in the sense of the universal fascism, advocated by Brzezinski and Huntington. That's the danger. The Trilateral Commission is simply a by-product, as an institution, of this movement.

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