

# The Mont Pelerin Society in Mexico

by Carlos Cota Meza

The Mont Pelerin Society in Mexico has had decisive influence in educating the business grouping which styles itself the defenders of Mexican “private initiative,” as well as among the politicians historically linked to Liberalism (freemasonry) and identified with the reforms of President Benito Juárez in the 1860s. Members of this group are constantly inviting the best-known Mont Pelerinists to address their meetings, such as the Americans, drug legalizer Milton Friedman and “Catholic” blowhard Michael Novak, and the Mexican yuppie, Luis Pazos.

The epitome of this assemblage is the Mexican-born Gustavo R. Velasco, a key figure in Mont Pelerin Society and masonic operations through this century. One of his special aims has been to obliterate the social doctrine of the Catholic Church, which is seen as a barrier to the unbridled “free trade” doctrines they are peddling.

It was banker Luis Montes de Oca (1894-1958) who introduced Mont Pelerin Society operations into Mexico. He belonged to the Society for the Renewal of Liberalism of Ludwig von Mises. Montes de Oca was a permanent official in the government of Plutarco Elias Calles (1924-28) and his *maximato* (his practice of selecting future Presidents). Controller-general of Mexico in 1924-27, he then became finance secretary, a post he kept until 1932, when he became the director of the Bank of Mexico, the central bank (1935-37). He founded his Banco Internacional in 1941.

Gustavo Ricardo Velasco Adalid (1903-82), better known as Gustavo R. Velasco, Luis Montes de Oca’s nephew, inherited all these international friendships, including Ludwig von Mises himself (who was an adviser to the Manuel Avila Camacho government in 1940-46 and adviser-mentor to Antonio Ortíz Mena, finance secretary in 1958-64 and 1964-70 in the consecutive governments of Adolfo López Mateos and Gustavo Díaz Ordaz); Friedrich von Hayek; and Milton Friedman’s teachers at the University of Chicago, Frank Knight and Henry Simon.

As he writes in his book *El Camino de la Abundancia* (*The Road to Abundance*), Gustavo R. Velasco joined the Mont Pelerin Society almost from the day of its founding. He was its vice president in 1962-67. In his book, he reports on his participation in the Mont Pelerin Society meetings at Princeton University (1958), Stresa, Italy (1965), and Aviemore, Sweden (1968). He was at Ludwig von Mises’s 90th birthday party in New York in September 1971.

## The Free School of Law—masonic nest

In 1912 (after the Mexican Revolution and the Francisco I. Madero government), a group of survivors of the Gabino Barreda Methodophile Society (an organization of Juárez followers which pushed the positivist philosophy of Auguste Comte as the philosophical basis of both the Juárez and Porfirio Díaz governments) decided to create the Escuela Libre de Derecho, the Free School of Law, with a view to influencing the 1917 Constituent Assembly.

In the book *Al Servicio de la Escuela Libre de Derecho* (*In the Service to the Free School of Law*), Gustavo R. Velasco asserts that this school was founded to show that “natural law is an ideal, not a reality,” that justice is “the last refuge of unknown rights,” that “it is impossible to determine what is just or unjust.” According to Velasco’s story, the school was a “free association of friends” where “fervent Catholics like Agustín Rodríguez and Francisco León de la Barra cohabited with recalcitrant free-thinkers such as Miguel S. Macedo and Emilio Rabasa.”

From the Free School, Gustavo R. Velasco always kept direct control over the presidency of the Business Owners Confederation of the Mexican Republic (Coparmex, of which he was one of the most active promoters), because in general the presidents of this powerful business association and other of its officials had to be followers of his in the administrative law course. This was supposed to be a course on “a science of economics” as taught in the Higher School of Trade and Administration, an institution created under “the great Public Education Law (1870) of Gabino Barreda and Antonio Martínez de Castro,” Velasco states.

What is curious about the so-called Catholic current, is that its actual roots are masonic, concretely, the faction identified with Benito Juárez, during the epoch when Pope Leo XIII wrote his unequivocal condemnation of masonry. Gabino Barreda (1818-81) was the ideologue of the fiercely anti-Catholic Juárez government from 1867 (when he was made responsible for developing an educational reform) till 1872.

## Gustavo R. Velasco, a Nazi and a racist

If natural law does not exist, and if it is impossible to determine what is just, and if justice is an unknown right, then, what kind of society do we live in?

In September 1972, Gustavo R. Velasco gave a lecture entitled “Reflections on Equality and Egalitarianism,” for the “third symposium on human differentiation which the Institute of Humanistic Studies, of which I am honored to be one of the founders and an adviser, held in Gstaad, Switzerland.” Here, he averred:

“The truth is that the only things absolutely common to man are those that serve to classify him zoologically and to distinguish *homo sapiens* from other animals. . . . Moreover, what singles out and mainly characterizes man from a biological standpoint is his erect position and his bipedal position; the opposition of his thumb to the other fingers and his greater

cranial capacity. On the basis of these characteristics we discover what it is that situates man apart from the other creatures and constitutes his essence: the complex of psychic faculties which make it possible for him to think and reason.”

Karl Marx would have been proud of such materialistic argumentation. Carried to its extreme, this human biological differentiation led to eugenics, later known as the Nazi race hygiene which Adolf Hitler would apply against what he considered “inferior races.” This supposed difference between human beings is also the nucleus of the policy of “social hierarchy” preached by Gabino Barreda.

In September 1971, at the Ludwig von Mises 90th birthday celebration in New York, Gustavo R. Velasco presented the *Program for a Liberal Party* in which he insisted: “In the first place, the free market economy provides what the consumers ask for. The economy is . . . the freedom to consume or perhaps to desire, to seek new satisfiers, including forming new desires and needs.” If Velasco pushed drug legalization, like most of his Mont Pelerin colleagues, it would be no surprise.

### **The Mont Pelerin Society in Mexico today**

At the dawn of the 1980s, in Mexico and all over the world, “private” institutes sprang up to propagandize the fascist garbage that Gustavo R. Velasco was expressing, as “democratic” and even “Catholic.”

In 1984, the U.S.-based Center for International Private Enterprise (CIPE) started its operations as a “donor” to various business organizations in Ibero-America, to get them to launch furious campaigns against the guiding role of the State in national economies, as well as for “free trade,” “privatization,” and “democratic pluralism.” Among the recipients of these funds were Coparmex and the Business Coordinating Council (CEE) of Mexico.

Later, it would be discovered that the CIPE was getting its money from the infamous National Endowment for Democracy, the legal front through which Lt. Col. Oliver North was conducting out his arms-for-drugs deals in the Iran-Contra affair. Given its clandestine nature, the relation between these funds and the creation of the mentioned institutions remains to be clarified, but the fact is that they arose from the same process.

**Center for Investigations into Free Enterprise (CISLE):** Founded in 1984, its current executive director is Roberto Salinas-León, who also appears as the chairman of the Mont Pelerin Society in Mexico. Luis Pazos, the most vulgar of the followers of Velasco at the Free School, is general director of CISLE and also an active member of the Mont Pelerin Society.

**Ludwig von Mises Institute:** It began its activities in 1983. The name “pays homage to the outstanding Austrian economist, Ludwig von Mises”; the aim is to “rescue the name and the ideas of the Austrian school of economics.” This organization is directed by Dr. Carolina de Bolívar.

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## **Book Reviews**

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### **Chile was wrecked by Mont Pelerin experiment**

by Cynthia R. Rush

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#### **Pinochet's Economists: The Chicago School in Chile**

by Juan Gabriel Valdés

Cambridge University Press, New York, 1995  
280 pages, hardbound, \$49.95

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In *Pinochet's Economists: The Chicago School in Chile*, author Juan Gabriel Valdés has done some useful investigative work to reveal how the international financial oligarchy succeeded in turning the nation of Chile into a laboratory for the nation-wrecking economic policies it wants to apply worldwide today. The country became an experiment in the application of the fascist policies of Austrian economist Friedrich Von Hayek, his disciples at the University of Chicago, and co-thinkers at the Mont Pelerin Society following the September 1973 coup against the socialist government of Salvador Allende.

Allende, with the backing of Cuba's Fidel Castro, was in the process of wrecking the Chilean economy, while making it a Marxist beachhead from which to assault the rest of the continent. Chilean patriots and nationalists, including within the Armed Forces, were rightfully concerned with saving their nation when they decided to act in 1973. But what they ended up with, was an economic program as bad as anything Allende would have done, had he remained in power.

In the years following the coup, and especially after 1975, when their control over economic policy was consolidated, the Mont Pelerinites were euphoric over Chile. In an “in your face” display of arrogance, the Mont Pelerin Society even held its 1978 annual meeting in Viña del Mar, Chile. More important than their initial euphoria, however, the Von Hayek grouping went on to attain an intellectual authority which allows Conservative Revolutionaries today to peddle the Chilean “economic miracle” as the solution to the crises afflicting most developing-sector nations.