

# Mexico conference maps out strategy for defeating the IMF

by Valerie Rush

On July 19, the Fifth National Forum, “Yes, There Is Life after the Death of the International Monetary Fund,” was held in Hermosillo, Sonora. Over 220 delegates, from scores of organizations representing more than a million members from around the country, met to discuss Mexico’s accelerated collapse—both economic and political—as part of a much larger crisis of the world monetary system. The meeting was the latest in a series of such initiatives, for the purpose of expanding the national movement launched with the First National Forum in the city of Guadalajara, a little over a year ago, on June 17, 1995.

The Hermosillo forum was opened by Sonora producer Adalberto Rosas, also a pre-candidate for governor within the opposition National Action Party (PAN). Rosas, who came into the National Forum movement at its inception, recalled that the movement had opposed the North American Free Trade Agreement and the free-trade policies of former Mexican President Carlos Salinas, from the very beginning. In his address (see *Documentation*), he notes that the Forum actually came into being in embryonic form in 1992-93, with discussions among businessmen, farmers, and others from various states, on how to avert the collapse of the agricultural sector.

In August 1993, these same activists organized a tractorcade to demand an audience with then-President Salinas. The audience was won, and Salinas was given a no-holds-barred lecture on how his free-trade policies were destroying the nation’s ability to feed itself, and that a national financial crisis was imminent if those policies continued. Salinas ignored the warnings, leading to the December 1994 peso meltdown, and current conditions of virtual insolvency of the Mexican economy.

In the three years since that meeting with Salinas, where does Mexico stand? Food shortages are widespread and consumption has collapsed, the fate of Mexico’s pensioners has been thrown onto the futures market, the national debt—both domestic and foreign—is paralyzing the economy, the nation’s prime assets have been sold off, and the petrochemical industry is now on the auction block. The political institutions are in an advanced state of collapse as well, with destabiliza-

tion campaigns against the Presidency and against the ruling Institutional Revolutionary Party (PRI) being financed and promoted by an international financial community frustrated with President Ernesto Zedillo’s foot-dragging on privatization of the state oil company.

One of those destabilization campaigns is the so-called El Barzón “debtors movement,” which has received extensive and favorable publicity by the organs of Wall Street and the City of London. The National Forum movement has repeatedly warned that El Barzón was an enemy operation, created to channel legitimate discontent over the economy into one-worldist proposals, such as the securitization of the country’s debt, and was destined to end up siding with the narco-terrorists against the country’s legitimate institutions. In the days leading up to the Hermosillo event, El Barzón’s national leaders signed a “mutual defense pact” with the Zapatista narco-terrorists in Chiapas, leaving the National Forum movement standing alone as the only credible alternative.

Discussion at the Fifth National Forum centered around the various manifestations of the dying world financial order—the international food crisis, the \$500 billion a year dope trade, the spread of narco-terrorism, etc.—and on the kinds of economic policies that can be adopted to turn the crisis around. International messages of support were received from across Ibero-America, as well as from the United States, Canada, Australia, Russia, and elsewhere (see *Documentation*).

Attention was focused on the so-called “LaRouche Plan,” draft legislation for a bankruptcy organization of the economy based on the economic proposals of U.S. Presidential pre-candidate and statesman Lyndon LaRouche. Such a bill has already been submitted to the legislatures of both Mexico and Argentina, and constitutes the centerpiece of an organizing process begun in Mexico, and now ready to move continentally. Among various resolutions passed by those attending the Fifth National Forum was the decision to convoke a continent-wide mobilization against the International Monetary Fund for Oct. 9-12. The 220 conference delegates also condemned the “Nazi-style policies” of Pennsylvania Gov. Tom Ridge, whose austerity policies threaten the lives of

thousands in his state, and who falls into the category of those who “knew or should have known” that their policies were genocidal.

The National Forum took place one week before the convening of an international conference of narco-terrorists and their supporters in Chiapas, the stronghold of the Zapatista National Liberation Army. That July 27-Aug. 3 meeting, plus another one immediately preceding it of the Castro-founded São Paulo Forum, in San Salvador, El Salvador, will supposedly consider alternatives to the problems of “neo-liberalism.” In fact, what they represent is a modern-day recreation of Fidel Castro’s “Tricontinental International” from the 1960s. Attending these meetings, among others, will be Che Guevara’s old sidekick Régis Debray, Danielle Mitterrand, the Sandinistas’ Daniel Ortega, Mexico’s own Cuauhtémoc Cárdenas, and Cuba’s Communist leaders.

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## Documentation

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*The following is the opening speech given by Adalberto Rosas López, gubernatorial candidate in the Mexican state of Sonora for the opposition PAN party, to attendees at the Fifth National Forum entitled “Yes, There Is Life after the Death of the International Monetary Fund.” Subheads have been added.*

I would like to thank all the organizations which convoked this Fifth National Forum, “Yes, There Is Life after the Death of the International Monetary Fund,” for granting me the honor of offering all of you an enthusiastic and cordial welcome, especially to our invited international guests.

We have come to this forum as the result of a systematic national mobilization, which was formally launched on June 17, 1995 in the city of Guadalajara, site of the First National Forum.

I was able to participate in the beginning of this series of national meetings, which, after Jalisco, were also held in the state of Nuevo León, in Mexico City, and in the state of Guanajuato. As can be seen, in the period of one year, we have held these five national events, which demonstrate a significant effort to contribute with a competent body of ideas to confronting the deep crisis that our country, and the world economy, face today.

While this organizing process was formally begun with the First National Forum held in Jalisco, the reality is that, as agricultural producers, we had already begun to realize since mid-1992 that the indiscriminate trade opening put into practice as of 1986, the disappearance of price guarantees, the constant decline in prices, the permanent rise in costs, and the scandalous growth in interest rates, would take us to a

situation of insolvency and accelerated decapitalization.

Warning of this, we took the initiative of issuing an open call to all producers, businessmen, and researchers to begin a discussion that would enable us to make a realistic evaluation of the state of affairs of the agricultural sector, and to also determine whether the government’s free-trade economic strategy would lead us in the right direction.

In these late-1992 discussions, we were able to gather a great deal of information on the level of deterioration of the national agricultural sector, and in those same discussions, we had access to the analytical tools provided by the Ibero-American Solidarity Movement, which enabled us to understand that the explosion of debt arrearages at the time was only a reflection of a mistaken economic strategy, and part of a world financial crisis.

Convinced of this, we broadened the discussion to producers in other states, holding meetings that same year (1992) in Jalisco, Sinaloa, and Baja California. It was in the state of Jalisco that we held one of these first meetings, with the outstanding help and participation of Engineer José Ramírez Yañez, at the time, mayor of Gómez Farfás municipality.

### A tragic figure

During 1993, we undertook a series of actions that gained importance in August of that year, with a tractorcade from Ciudad Obregón to the port of Guaymas, to press for an audience with then-President [Carlos] Salinas [de Gortari], who at the time was visiting our state. That meeting with Salinas was held on Aug. 19, in the same port of Guaymas, where a group of producers, representing the coordinating body of the Permanent Forum of Rural Producers (FPPR), spoke through our friend Jaime Miranda Peláez, who read a document warning Salinas that his free-trade policy was going to lead to a serious national security problem for the country, because of our deteriorated capacity to produce our own food, and to a financial crisis that would endanger the national credit system.

We concluded that meeting by asking him not to sign the North American Free Trade Agreement with the United States and Canada. Salinas, a fanatic of his liberal dogmas, nonetheless ignored our forecasts and is today a tragic figure of national history.

But the proposal we made to Salinas was the same one we discussed in several meetings with producers on a national level, and which we took—backed by producers from Baja California, Sinaloa, Chihuahua, and Guanajuato—to the first national meeting held in Jalisco in September 1993, with the then-incipient Barzón movement. The problem we faced at that meeting was the refusal to recognize the need to challenge Salinas’s economic policy, and to grasp that the crisis of the agricultural sector jeopardized the government’s entire economic strategy.

We stuck to our proposals, and all those in positions of leadership and government responsibility, who foolishly de-



*Leaders of the Permanent Forum of Rural Producers signing a letter to President Carlos Salinas de Gortari, on Aug. 19, 1993. The letter denounced the IMF's destruction of agriculture and the productive economy, and outlined a series of measures to reactivate the economy. Adalberto Rosas López, who addressed the Fifth National Forum, is third from the right.*

fended the regime's economic policy, find themselves totally discredited today, with no intellectual authority to comment upon the future of the national economy. As a result, our authority and our organizational potential have grown enormously, more so because the diagnosis emerging from these national forums is based on two very good pieces of news: One, that the International Monetary Fund is dying; and second, that there is life after that death.

### **The oligarchy plans to 'tighten the screws'**

This is the reality that many don't wish to face: that we are in the worst crisis of the postwar period. As even many international financial institutions are recognizing, this crisis has unleashed the disintegration of the international financial system, which seeks to save itself through the imposition of brutal austerity on debtor nations. The International Monetary Fund's managing director said as much on June 27 of this year during the meeting of the Group of Seven in France, when he admitted that "the world financial system is in pieces, and there is an urgent need to tighten the screws." Now, we all know what "tighten the screws" means, especially after the economic devastation experienced during 1995, which has placed the nation in a dangerous state of defenselessness. This is due, among other reasons, to our alarming need to import extraordinary quantities of food at a time when the world is suffering the worst food shortages of the last 30 years, and when we lack the financial ability

to make those purchases.

This is the challenge we Mexicans face, one which we must take up with courage and political determination. We must adapt to a truthful diagnosis of the national and international situation. We cannot indulge in the political irresponsibility of peddling illusions, presenting false signs of economic recovery. We must not commit the crime of saying the patient has the flu, when he really has cancer. We participate in the work of this Fifth National Forum, convinced that we are working with a movement that has had the courage to take full responsibility for the future course of the nation.

I sincerely believe, as I indicated in a recent conference, that what prevents us from making those crucial decisions which bind us to our nation's destiny, is the fear of change, of abandoning a belief structure which offers us a false sense of security, and which chains us to ideas which have already failed. In summary, it is the fear which has caused the great tragedies of nations, the old fear, based on that conformist and pessimistic adage, which says, "Better the devil you know, than the devil you don't."

To my friends at this forum, I say that there is nothing to fear. The truth must be the light which inspires change. Only truth gives legitimacy to change, and only truth can make us truly free.

We should not forget that what dignifies us as citizens and as people, is our ability to change, to seek perfection, and to contribute to the common good.

## Mexico must break the chains of the IMF

*The following resolutions were approved at the Fifth National Forum "Yes, There Is Life after the Death of the IMF," held in Hermosillo, Sonora on July 19. Subheads have been added.*

We, the delegates and attendees at the Fifth National Forum, "Yes, There Is Life after the Death of the IMF," gathered in Hermosillo, Sonora (Mexico), on July 19, 1996, resolve to:

1. Urge the federal government to break the chains imposed on it by the International Monetary Fund (IMF), regarding budgetary and public investment policies, to undertake on an emergency basis, an aggressive policy of investment in grain production to permit districts under irrigation to maximize the availability of water and significantly increase food production.

Were this not done, the country would be wracked by hunger and social unrest, as a result of the drastic fall in food production and consumption provoked by irrational free-trade policies, and particularly by the North American Free Trade Agreement, coinciding with the worst drought in years.

This national picture is aggravated by a fall in world grain production, a severe reduction in international reserves, and an increase in their prices.

This emergency plan should have as its point of departure the fact that 80% of the debt and arrearages of rural producers is illegitimate and should be forgiven. Monetary measures such as the securitization of the debt are a desperate attempt by the IMF and creditor banks to squeeze out the last pound of flesh from debtors, and we totally repudiate these. We have no reason to sacrifice ourselves on the altar of the international financial system, now in irrevocable disintegration, thanks to usury and speculation.

2. We support Mexico's retirees in their fight against the system of forced savings, or *Afores*, because this scheme for privatization of social security and pensions represents blatant robbery of their income, and jeopardizes their pensions by tossing them onto the world gambling casino, which the secondary market has become. By the same token, we denounce the privatization project imposed by the IMF and creditor banks, especially the plan to privatize Pemex and the petrochemical sector.

3. We energetically condemn the Nazi-style policies of Pennsylvania Gov. Tom Ridge, involving cuts in health care which will cause the deaths of thousands of poor workers and indigents. We agree with Democratic Presidential candidate Lyndon LaRouche, that Tom Ridge falls into the category of

those who were tried at Nuremberg, who "knew or should have known" that their policies would result in genocide, and therefore commit ourselves to mobilizing international support to impeach him.

We also firmly support H.B. 2833, presented to the Pennsylvania State Assembly by the president of the Black (and Hispanic) Caucus, Harold James, together with legislators Benjamin Ramos, Tadeus Kirkland, LeAnna Washington, and John Meyers, which calls for imposing a 0.2% tax on such financial transactions as stocks, bonds, derivatives and others, in order to cover the fiscal deficit.

This bill is an example for all nations to follow, as H.B. 2833 specifies, in order to "discourage the speculative financial activity which destroys the economic welfare" of states and their citizens, and "encourage stable investments and job creation" as well as "increase the state's revenues without causing harm to the lives or health of its people."

### Exonerate LaRouche

4. We urge U.S. President William Clinton to end, once and for all, the monstrous injustice committed against Lyndon LaRouche and his associates.

We demand the exoneration of Mr. LaRouche, now free on parole after having served five years in jail, and the freedom and exoneration of his colleagues, currently serving prison sentences: Mike Billington, Paul Gallagher, Anita Gallagher, Laurence Hecht, and Donald Phau.

5. We denounce the fact that the ill-named "International Forum against Neo-Liberalism and for Humanity," planned for July 28-Aug. 6 in La Realidad, Chiapas, and convened by the narco-terrorist EZLN [Zapatista National Liberation Army], has as its real purpose the formalization of the new "Terrorist Tricontinental," under the command of its longtime commander, Fidel Castro. This new Tricontinental operates as an irregular army at the service of British imperialism and its liberal allies in Washington and on Wall Street, in their ferocious attempt to destroy national sovereignty, dismantle vital institutions such as the armed forces and the Catholic Church, and loot nations of such strategic resources as oil. This narco-terrorist new Tricontinental openly supports "globalization," both of the economy—that is, neo-liberalism [free trade]—as well as of politics that seeks the elimination of the sovereign nation-state. It is nothing but imperialism's puppets.

We therefore demand that the three branches of government apply the Constitution, and consider this event an assault on our sovereignty, a threat to our national security and territorial integrity.

6. We support the July 15 declaration issued by the Latin American Bishops Conference (CELAM), which clearly identifies Ibero-America's foreign debt as illegitimate, a product of illegal usury, which bleeds the continent's economies. We support CELAM's call for said debt to be forgiven,

a proposal inspired by the powerful Judeo-Christian tradition of the Jubilee, recently taken up by Pope John Paul II.

7. We convene the First Continental Ibero-American Solidarity Conference, "Yes, There Is Life after the Death of the IMF," to take place next Oct. 9-12 in the largest possible number of nations and cities of the Ibero-American *Patria Grande* (Greater Fatherland), to create a common bloc of the region's debtor nations, whose task it will be to promote the bankruptcy reorganization of the IMF system, and to create a new one which forbids usury while guaranteeing agro-industrial development. In several of our countries we have already presented to our respective legislatures a Bill to Reactivate the National Economy, also known as the "LaRouche Plan," to attain these goals. This plan includes provisions to:

- create a new financial and monetary system to replace the IMF;
- eliminate the autonomy of the central bank and establish a sovereign National Bank, owned by the state, which will establish a new internal monetary policy, oriented toward credit issuance for infrastructure projects;
- impose exchange controls and declare a moratorium on foreign debt;
- establish an independent commission to determine the illegitimate portion of foreign as well as domestic debt to be forgiven; and
- reject free trade, and agreements such as NAFTA, and in their place, promote Ibero-American integration.

We invite all of the continent's patriots—trade unionists, businessmen, students, public officials, clergy, or military personnel—to support this bill with their signatures.

To culminate the First Continental Conference, we also convene the Sixth National and Continental Forum, "Yes, There Is Life after the Death of the IMF," to take place in Mexico City, next Oct. 11-12.

## Greetings to the Forum

*The following are excerpts of messages sent to the Fifth National Forum "Yes, There Is Life after the Death of the IMF."*

**Col. Mohamed Ali Seinedin**, president of the Movement for National Identity and Ibero-American Integration (Mineii):

Dear friends, compatriots from Ibero America: The challenge today, which you are leading from that blessed Mexican soil, is to find and show the way toward the definitive emancipation from all foreign domination, regardless of its cover. None of our nations obtained its independence as a gift. The current reality teaches us that the preservation of our dignity as free men, demands from us the permanent exercise and defense of that right. We must love liberty more, and yearn for it more, than the powerful lust and desire to subjugate us. . . .

**Craig Isherwood**, national secretary, Citizens Electoral

Council of Australia:

On behalf of the Citizens Electoral Council of Australia, representing the hopes and wishes of the many Australians who have followed the efforts and struggles of the Ibero-American people, against the evils of the International Monetary Fund and the policies of economic rationalism, we bring warm greetings.

As Mr. LaRouche has said on numerous occasions, the crisis which civilization now faces, can go for "better" or for "worse." We applaud your Forum's sustained, potent efforts to ensure that the world, as a whole, becomes better. This can only be done, as sovereign nations endorse and nurture the means for their citizens to act as true human beings, and not as bestialized slaves. Life for your nations and for ours and for the rest of the world is dependent on the death of the IMF, and the reestablishment of the principle of "man in the image of God."

**Luis Carlos Heinze**, Municipal Prefecture of São Borja, Rio Grande do Sul, Brazil:

At a time that our brothers among the Mexican producers are involved in organizing a movement seeking improvements for agriculture, we cannot fail to transmit from here our support, and our hopes that your gathering will be as successful as on other occasions.

We are also experiencing the most serious agricultural crisis in years, caused by a government of technocrats which invested \$30 billion in bailing out the banks, leaving agriculture and those who depend on it, totally unprotected. . . .

We continue to fight for what is ours. Evidence of this is the recent mobilization led by producers of São Borja who, on July 9, 1996, parked their agricultural machinery in front of the Municipal Prefecture, demanding that they be decreed objects of public good. . . .

It only remains for me to wish you a successful event, out of which new ideas may emerge in search of the revitalization of the agriculture of Mexico, and of the entire Ibero-American people. . . .

**Dr. Taras Muranivsky**, professor, president of Schiller Institute for Science and Culture in Moscow:

My best wishes for the success of your forum, in the name of many scientists and parliamentarians of Russia and Ukraine! After the visits of Lyndon LaRouche, Marivilia Carrasco, Dennis Small, and Karl Michael Vitt to Russia and Ukraine, and their lectures about the activity of the IMF, the existing situation in Mexico and the rest of Ibero-America is well known to us. We also much better understand the dangerous results of IMF activity in our countries. . . .

You help us to understand our problems, and we support your forum, and hope it could well prove to be the most significant so far.