

The 'LaRouche Effect' takes Mexico by storm

by Valerie Rush

Lyndon LaRouche's one-worldist enemies are undoubtedly kicking themselves for their panicked mishandling of his planned visit to Mexico, on Sept. 18-25. The flood of protests at the trip's forced cancellation, the near-daily coverage of LaRouche's views in the press (see *Documentation*), and the unprecedented interest in his economic policy proposals, all confirm that the "LaRouche Effect" has taken hold in Mexico.

The renowned U.S. statesman and economist had been invited to give a series of conferences in Mexico's three largest cities that week, but was forced to cancel his visit when enemies inside the government, linked to former Mexican President Carlos Salinas and his U.S. partner in crime, George Bush, first tried to deny him a visa, and, failing that, managed to cancel the federal security supervision of his trip that had already been informally agreed upon. They did this despite supportive actions that had been taken on LaRouche's behalf by the Office of the Presidency of Mexico. As LaRouche pointed out, "Since I have a lot of enemies loose in the drug world, in that part of the world and elsewhere, that just nullified the trip."

However, the conferences went ahead, with minimal modifications, involving either presentations in LaRouche's name by his representative Dennis Small, or live telephone hook-ups with LaRouche himself. Over the course of the week, over 1,000 people attended the LaRouche events—about 700 of them university students. In one instance after another, attendance at the events was at the level of original expectations, with many asking why LaRouche's ideas strike such fear into his enemies that they would risk exposure to sabotage them. LaRouche's answer was simple: "The International Monetary Fund has a virtual dictatorship over Mexico."

That dictatorship is, however, crumbling at the edges, as is the global financial and monetary system it represents.

LaRouche's policy alternative, which so terrifies his enemies, offers sanity in the midst of spreading financial chaos, and, most importantly, a rallying point for the IMF's many victims—in Mexico and around the world. LaRouche's Mexican friends announced that they were immediately launching a campaign to bring LaRouche to Mexico shortly, with the necessary security guarantees. A letter-writing campaign has been launched, urging President Zedillo to take action to ensure this.

Fight for a New Bretton Woods

As LaRouche summed it up in his Sept. 22 Mexico City address, "Under no circumstances is it possible, that the present international financial and monetary system can live out much longer than the few months ahead. The IMF system is absolutely doomed; nothing can save it. Unless we eliminate this system and replace it with an appropriate system, the whole world will go into chaos. Unless the United States, especially its President, takes certain actions in the immediate period ahead, the entire world will inevitably go into a new dark age for several generations to come.

"What I'm proposing is that the United States government at the present, and other nations, join to create what may be called a New Bretton Woods agreement, which would use as its model the successful phase of the Bretton Woods agreement up until 1959: a gold reserve fixed-parity system, all kinds of protectionist measures to protect the development of economies, regulation of foreign exchange . . . in order to facilitate long-term agreements on trade and loans in the international market. The important thing is that this arrangement must write off most of the unpayable speculative debt, which has been built up over the past 30 years."

LaRouche repeated that the United States and its President

are key to convoking this New Bretton Woods, but that they cannot act alone. "In this situation, the republics of Mexico and of Brazil, as the two largest republics of Ibero-America, are of crucial importance to the United States." Asked how a developing sector country like Mexico can contribute to the fight, LaRouche stated, "We are now in a condition where a revolution must be made, to win back sovereignty for nation-states. We must make the revolution to bring back sovereignty, and then we can have a rational approach to policy."

Even as LaRouche was urging Mexicans to defeat the IMF's dictatorship and restore national sovereignty, the leading agent of the international financial elites in Mexico, Finance Minister Guillermo Ortiz, was at that institution's annual meeting in Hongkong to advise the government of Thailand on how to bend still lower to the IMF. Said Ortiz, "It's important not to try to minimize the state of affairs. [Mexican President Ernesto] Zedillo was very quick in telling the people . . . that strong measures would be needed to redress the situation."

Those "strong measures," taken in 1995 and 1996, delivered over to the international financial elites whatever remnants of national banking still existed in Mexico, and along with them the last vestiges of Mexican national sovereignty.

'Conspiring' against usury

LaRouche drew hundreds of students to his university forums in the cities of Guadalajara and Monterrey, and hundreds more — including businessmen, students, priests, politicians, and journalists — to the event in Mexico City. (See *Feature*, p. 28, for the text of his speech in Guadalajara.) Several private seminars drew high-level figures from various of Mexico's political parties, where the question of the day was, how can Mexicans defend themselves from the depredations of the IMF? LaRouche said that Mexicans must fight a "rear-guard battle," that will enable them to survive the present period, but that the international changes so desperately needed will require a coalition of nations — a "conspiracy," if you will — in which Mexico will need to play a role.

In his Mexico City address, LaRouche reviewed the history of his own collaboration with Mexico, dating back to his 1982 meeting with then-President José López Portillo, in the midst of the global debt blowout: "It was my knowledge at the time, that the New York and British crowd aimed to destroy Mexico, beginning no later than September 1982. In the context of our joint resistance against the Malvinas aggression by the British, discussions among various nations, including Mexican elites, were conducted, with a view to finding an alternative to this threat to Mexico and other countries. In that context, I wrote a paper called 'Operation Juárez,' which was a title I chose to emphasize Lincoln's opposition to the British and French invasion and occupation of Mexico. And that we had to do the same again.

"I must say, we tried. President López Portillo of Mexico, with initial support from the President of Brazil and the Presi-

dent of the junta of Argentina, were committed to supporting certain measures to be taken by Mexico to defend itself. Terrible threats were made against all of these countries, especially by Henry Kissinger, who was the message-carrier. Under these pressures, the President of Brazil, and then the Argentine junta, abandoned the President of Mexico.

"But it was a true crisis, a precedent for what is happening right now. For a period of about two hours, in the midst of the Mexico debt crisis, the entire world financial system was on the edge of an explosion. The fear that struck the international financial circles was beyond belief. And then, of course, as we all know, in October of that year, Mexico was isolated, and then crushed. And all the great dreams and patriotic ambitions of Mexican patriots from 1982, have been slowly destroyed inch by inch, and sometimes yard by yard, over the intervening years."

And yet, argues LaRouche, the very nature of the current crisis in international finance means that the opportunity to forge a rational alternative to the usury-based system of the IMF has never been greater. LaRouche reminded one questioner that "up to the middle of July of 1794, the dictatorship in France of Robespierre and Saint-Just, was cutting off everybody's heads. It believed up until the last moment that it was invincible. Then it lost its head. That is the situation of the world today." Therefore, concluded LaRouche, "although

'We are planning the liberation of Mexico'

Lyndon LaRouche made the following comments in a discussion by telephone with participants at an EIR conference in Mexico City on Sept. 22:

To do something like what I'm proposing, is like declaring war; it's like World War III or World War IV, against the British Commonwealth and what it represents. And what you, of course, do, in these circumstances, is wait for the moment of action. But you must prepare your forces for the moment of action. Just like the Schlieffen Plan that was devised for Germany.

What we are doing today in Mexico City, with me sitting in the United States, is discussing a plan of action, back to war, whose included objective is the liberation of Mexico from occupation forces. And I'm very optimistic, because there is no alternative to being optimistic. Since we can win, we must mobilize our passions to ensure that we do. Not merely our passions, of course, but also our intellect. We can win, and we must win.

Mexico is in much worse condition today than it was in 1982, because of the nature of history, Mexico is much more important, strategically and globally, than it was in 1982. I wish that the patriots of Mexico would understand this, and not just Mexico's enemies."

A fight for the future

LaRouche's intervention into Mexico comes at a crucial juncture, in which leading national institutions—the Presidency, the Armed Forces, the ruling PRI party—are being targeted for destruction. Jacobin forces committed to dismantling the nation-state itself and selling off its assets to the highest bidder, are parading through the streets of Mexico and on the floor of Congress. And while these forces have not succeeded in recruiting a majority of Mexicans to their side, they have helped to sow a certain cultural pessimism within the population.

Said LaRouche, in his Mexico City address: "The thing which worries me most in Mexico, is the loss of confidence in the future among the Mexican people. If the Mexican people have confidence in the future, if they think that wrong policies can be changed, that it is possible for the sovereign government of Mexico to make decisions and make things better, then we have the forces which are ready to fight and which can win. . . . My concern right now, is to help Mexicans recover their sense of confidence in what they can do in their future. The most dangerous thing is if a country has given up the will to fight, before the war is actually joined."

That the will to fight is by no means lost in Mexico, is indicated by the scores of letters to President Zedillo, and the hundreds of signatures that have been gathered for telegrams of protest over the sabotage of LaRouche's visit. As one trade unionist told LaRouche during a Guadalajara telephone conference, "If you are serious about coming to Mexico, we are going to get you here. We will do it."

Documentation

Mexico's media cover LaRouche

The following are excerpts from Mexican press coverage of Lyndon LaRouche's recent presentations, by proxy, in that country.

Excélsior, by Eduardo Chimely. Sept. 19. Headline: "Civilization Today Headed For New Dark Age"; "Bankrupt Financial Order Is Maintained through Austerity, says L. LaRouche":

"Guadalajara, Jalisco, Sept. 18—The entire planet is today trapped in a huge financial, monetary and economic crisis, the worst in the history of human civilization, U.S. economist and former U.S. Presidential candidate from 1976 Lyndon LaRouche stated today.

"He compared the current crisis with that of the Fourteenth Century 'dark age,' whose economic collapse reduced the population of Europe by half.

"LaRouche could not be physically present at the Second Congress on Foreign Trade, organized by the Guadalajara campus of the Technological Institute of Advanced Studies of Monterrey, 'because he was not granted adequate security,' it is reported, and he thus sent his personal representative Dennis Small, who read LaRouche's 18-page speech.

"Through his envoy, LaRouche stressed to the 500 in attendance: 'The important thing is not to know exactly when a crisis will hit, but whether the direction of changes among these ratios, is bringing the world to the edge of what we term, in physics, a "boundary state," into what has been termed by some economists . . . a "general breakdown crisis."'

"In his speech, 'An Alternative to Neo-Liberalism,' LaRouche indicated that the world's short-term debt is now more than several times the total annual net output of all of the world's economies combined.

"'This means,' he said, 'that the world's financial system as a whole is now hopelessly bankrupt.'

"He spoke of 'savagely austerity, whose purpose has been to loot the physical economies of nations, in order to maintain the debt-spiral upon which the fictitious capital values of a cancerously expanded financial speculation has depended.' He said that 'the only way in which such a collapse of civilization could be prevented, would be the adoption of the kind of anti-liberal economic system upon which . . . the United States was founded, and Germany and Japan reconstructed.'

"He explained that, 'During the Twentieth Century, for purely political reasons, the American System fell out of customary peace-time use, even in the United States, and was used only . . . in time of war.' Finally, he forecast: 'Unless we change our ways, most of our planet will collapse into a new planetary dark age, perhaps of two or more generations' duration.'

El Occidental, Guadalajara, Sept. 19. Headline: "Speculation, Main Source of U.S. Profits":

The article cites LaRouche's Guadalajara presentation, delivered by Dennis Small, on the dramatic international growth of speculation, and quotes LaRouche's assertion that the 1994 collapse of the Mexican economy was the result, "not of circumstances, but of the rupture of an international speculative bubble known as 'financial derivatives.'"

The article reviews LaRouche's elaboration of so-called "bankers' arithmetic": "In 1980, the official foreign debt of

Ibero-America was \$259 billion. Over the next 16 years, through 1996, different countries paid \$488 billion in interest payments alone, and in the end, their debt had risen to \$657 billion.”

Ocho Columnas, by Ivonee Aguirre, Sept. 19. Headline: “II Congress on Foreign Trade: Speculators Reign on Exchange Markets”:

“99.8% of world currency trading today is speculative, and only 0.2% is applied to investment projects and marketing. According to economist Dennis Small, the credits that make up the foreign debt of countries have the same fate.

“He said that approximately \$100 trillion a year is moved on the speculative market, a figure that grows annually by 59%. Interviewed following his presentation to the Second Congress on Foreign Trade, Small stated that the international financial system is held together with safety pins and will soon collapse. . . . He said Mexico is not exempt from this, since it is vulnerable, as are the majority of Third World countries. . . . The value of the physical economy continues to collapse, and the ratio between the monetary and financial aspect, which is growing out of control, and the physical aspect which is not growing adequately, bodes ill for the future, he stressed.

“The main cause of this cancer, threatening all the world economies, he said, is the inadequate channeling of credit, since instead of allocating it to its proper purpose, which is development, production, or investment projects, it is directed into speculative activities.

“Small spoke of the joint participation of all nations in forming a new international financial system, to have real economic development and maintain growing populations. ‘The current system, which only defends cancerous usury on an international level, should be eliminated,’ he said.

“What is needed, he warned, are fixed and stable parities, and that credit be oriented toward productive activity. National banks belonging to the state of each country should also be established, to channel credit to great international reconstruction projects that can encourage technology, and scientific research and development.

“The economist said that for the world to move in that direction, there are two countries that play a decisive role: the United States and China. One because it is the most powerful economy in the world, and the other because it is where the majority of humanity lives.

“If these factors are not taken into account, said Small, the consequence could soon be the disappearance of some economies and of world banking.”

Excélsior, by Eduardo Chimely, Sept. 20. Headline: “Growing Speculative Wave on the Markets: D. Small; Collapse of International Financial System a Fact”:

“Guadalajara, Jalisco, Sept. 19—The world foreign debt and the growing wave of speculation on the financial markets



Mexico’s President José López Portillo, who undertook measures to defend the nation against the International Monetary Fund shortly after meeting with Lyndon LaRouche in 1982. Although these efforts were defeated then, “because of the nature of history, Mexico is much more important, strategically and globally, than it was in 1982. I wish that the patriots of Mexico would understand this, and not just Mexico’s enemies,” said LaRouche.

will sooner or later cause the collapse of the international monetary system, stated U.S. economist Dennis Small today. As a result of usurious practices, Latin America ‘has paid two and three times its foreign debt, only in interest,’ since the International Monetary Fund (IMF) acts as a financial police to assure those payments, he said.

“Small explained that Lyndon LaRouche sent him to this city as his representative, to participate in the Second Congress on Foreign Trade. . . . LaRouche couldn’t come, since ‘conditions of security and protection for him did not exist.’ Some day he will come and will explain to Mexicans the links between former President Carlos Salinas and the IMF, the latter described as a ‘world financial cancer,’ he added.

“The economist, accompanied by Ibero-American Solidarity Organization [sic, Movement] president Marivilia Carrasco, noted that U.S. President George Bush, an intimate friend of Salinas de Gortari, fabricated charges against LaRouche for having clearly elaborated the IMF’s criminal operations. . . .”

El Financiero, Sept. 22. Advertisement:

“Lyndon LaRouche in Mexico.

“A Telephone Conference: Toward a New Bretton Woods. An Alternative to Neo-Liberalism. The presentations Lyndon LaRouche was to have personally given in Mexico City, Guadalajara, and Monterrey, will be given via telephone. LaRouche suspended his visit to Mexico because elements of the Government Ministry refused him the necessary support for his physical security. LaRouche, author of the LaRouche-Riemann model, a new method for the development of the physical economy as an alternative to the disaster of neo-liberalism, is also author of a proposal for the bankruptcy reorganization of the current financial and monetary system, and for the founding of a new one that would prohibit usury and would establish new policies for the development of nations. This is most urgent in view of the ongoing disintegration of the IMF system.

“His proposal for a New Bretton Woods is supported by thousands of personalities throughout the world, who have signed an Open Letter to United States President William Clinton. Leading among these are the former Presidents José López Portillo of Mexico, João Baptista Figueiredo of Brazil, and Godfrey Binaisa of Uganda.”

Excélsior, by José Neme Salum, Part I. Sept. 22. Headline: “Mexico of the 21st Century”:

In his widely read weekly column, Neme argues that the Congress and Executive of Mexico must reject the IMF’s demand for “a second wave of reforms,” because such “reforms” would mean that there is “no escape from the new feudal order.” Instead, Mexicans of all walks of life are now fighting for a return to scientific and technological development, as the centerpiece of national culture, and as the right of every Mexican. This is what Mexico needs, says Neme, not the “racist” Zapatistas and the crowd associated with corrupt former President Carlos Salinas, who seek with their “Hitlerian mentality” to declare by law that some Mexicans, such as Indians, “are different, some other species or sub-species.”

Neme defines LaRouche as an ally in the battle to free Mexico from the dictatorship of the IMF, and cites his Guadalajara speech, where LaRouche says:

“We must make Mexico as powerful economically, per capita and in the living conditions of its inhabitants, as the United States.” Neme notes that LaRouche was unable to be physically present in Mexico because of “the servility of the authorities to the interests of the IMF and the drug trade, and to the usurious international oligarchy which controls both.”

Writes Neme, “It is understandable that those dedicated to justifying and facilitating the looting and sacrifice of Mexicans to ‘meet their international financial commitments,’ would panic at the presence in this country of someone who supports the idea” of making Mexico as economi-

cally powerful as the United States.

Neme quotes at length from LaRouche’s Guadalajara speech on the need to rebuild the economy, based on low-interest credit directed to productive activity and infrastructure development projects.

Neme concludes citing LaRouche’s definition of the enemy:

“LaRouche stressed that when liberal economists—like those of the neo-feudal Mont Pelerin Society or of the Wharton School—speak of ‘freedom,’ they refer to freedom of the financial parasites to be beyond the control of their host and victim: the economy of the modern nation-state. Says LaRouche, ‘We, who oppose the two forms of feudalism, both the landed aristocracy and the financial oligarchy, design laws to defend the freedoms of all individual citizens, present and future, against the oppression of both relics of feudalism.’ ”

Internet fraud alert!

This is to alert our readers, who may also visit the Internet, that, on or about Sept. 19, 1997, an article appeared on certain electronic news groups, which purported to be by authors associated with *EIR*, under the title “Martin Zweig’s Middle East Connections.” This article is *in no way* associated with *Executive Intelligence Review*, or any of the organizations or publications associated with the international political movement of Lyndon H. LaRouche, Jr.

The putative authors of this article have no connection whatsoever with *EIR*, being, in fact, unknown to *EIR*. The article itself in no way, either in spirit or in substance, reflects the political, investigative, or editorial outlook of *EIR* or its sister publications. This is criminal fraud of the most sinister type. The authors of this hoax and fraud will be pursued and prosecuted with every legal means available.

So far, *EIR*’s efforts to track this down have gotten little response, although one attempt to trace the article led to a site located on the Isle of Man, an offshore haven which advertises itself as a “self-governing territory of the [British] Crown.”

If any of you, our readers, have any information regarding this article, or others suspiciously similar to it, please contact *EIR* at one of the following:

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