

ter, will be offered as privatized investments, with tolls set by “market standards” and through “open competition”—a form of deregulation which is a prescription for disaster.

A sign of the danger involved is the main role at the Indonesia Infrastructure Summit of Michael Porter, a leading member of the arch-synarchist Mont Pelerin Society in Australia, who has promoted himself as an economic advisor to President Yudhoyono. Porter was the chief architect of various privatization schemes in Australia, and in Victoria in particular, but his pedigree goes back to his role as one of the primary players in the 1971-74 destruction of the Bretton Woods system. When George Shultz instructed President Richard Nixon to pull the dollar off gold in August 1971, implementing a speculative floating exchange rate system, then-IMF official Porter was instrumental in getting Germany to go along with the Shultz policy, floating the deutschemark, and he then moved on to influence Australia in adopting floating rates and other aspects of the deregulation of the financial system. Porter claims that President Yudhoyono is preparing to implement privatization/deregulation policies similar to those Porter implemented in Australia.

Indonesia has already implemented several new laws to facilitate the privatization process, including the elimination of the state monopoly on toll-roads, and the deregulation of electricity and water. The disastrous results of privatization of water (the Philippines and Argentina are but two examples) and electricity (California was literally bankrupted by its electricity deregulation fiasco), should serve as a warning that such actions open the nation to devastating economic looting.

However, the Indonesian Constitutional Court recently annulled the electricity deregulation law passed a few years earlier, based on the fact that it is forbidden by Indonesia’s basic law as contained in the Constitution that was adopted with the nation’s founding in 1945. The “Social Welfare” clause of the Constitution, states: “The economic sectors which are essential for the country and which affect the life of the people, must be controlled by the state. Otherwise the control of production might fall in the hands of powerful individuals who could exploit the people. The land, the waters, and the natural resources therein are basic assets for the people’s prosperity and should, therefore, be controlled by the state and exploited to the greatest benefit of the people.”

The meaning of the phrase “controlled by the state” was given a very liberal interpretation under the Suharto regime, allowing the “economic hit men” great leeway—a policy which left the country essentially bankrupt after the 1997-98 crisis. The government determined after that disaster that never again would they provide such unreasonable guarantees to foreign investors, which granted de facto ownership of the nation’s sovereign industries and control of their resources.

Those in the government who are intent on sticking to that pledge of “never again,” are concerned that the new government, under pressure to come up with investments at any cost, may repeat the errors of the past.

Pinochet’s Chile Model Still ‘Screwing Mexico’

by Rubén Cota Meza

As of Jan. 17, 2005, Mexico’s privatized pension funds—the Retirement Funds Administrators, or Afores—were permitted to invest approximately \$13.5 billion in workers’ pensions savings in both foreign and domestic company stocks, as well as in foreign government bonds. Six years after having launched the private pension system in Mexico, the foreign bankers who dominate the Mexican banking system have finally succeeded in getting their hands on a big chunk of the total savings of Mexico’s more than 32 million workers—which as of November 2004 totalled \$39.8 billion—to be placed as bets on the international roulette wheel of speculation, exactly as they had wanted ever since Pinochet’s so-called “Chile model” of private pensions was first installed in Mexico.

In 1996, the alliance of the Revolutionary Institutional Party (PRI) and the National Action Party (PAN), under the direction of then-President Ernesto Zedillo (PRI), “reformed” the Social Security law to create an obligatory private pension system for all workers in the private sector. At the time, it was said that those funds would be invested in national development projects, a deliberate deception to draw the support of PRI-affiliated trade union leaders ever anxious to please the President, in exchange for holding onto their positions of control over the working masses.

Ever since then, the bankers have fought for the right to risk the funds of individual pensions on the international markets, with the new deception that this would yield larger dividends to the supposed benefit of the workers. Now, once again, the PRI-PAN alliance in the Congress has complied, granting a “probationary period” during which 15-20% of the funds can be invested, in various forms, on the international markets.

All of these changes to the Mexican pension system have been approved without any effective opposition on the part of either the labor unions or the political parties. The private pension model that the dictatorship of Augusto Pinochet bloodily imposed in Chile, has been imposed “democratically” in Mexico, thanks to the intellectual impotence of the country’s political leadership.

Enter the LYM

The next step that the bankers and the PRI-PAN alliance hope to take, is privatization of the pension system of the

nearly 2 million public employees affiliated with the Institute of Social Security at the Service of State Workers (ISSSTE).

This time, however, they will face the opposition of the political movement associated with the ideas of Lyndon LaRouche in Mexico, and his LaRouche Youth Movement (LYM), who have begun to circulate thousands of leaflets entitled, "Don't Let Pinochet's Chile Screw You!" The leaflet charges that the so-called "Chilean model" is nothing less than the same fascist economic policy whose implementation required the installation of the bloody Pinochet dictatorship and his death squads.

The playful title of the leaflet, the organizing dynamic of the LYM, and the explosive information on the failure of the "Chilean model," and on the opposition movement that LaRouche is building in the United States against the same efforts by the George Bush Administration to impose Pinochet's "Chile model" there, is beginning to yield its first results.

In a deployment to distribute the leaflet at the headquarters of the Mexican Electrical Workers Union (SME), the trade union that prides itself on being the "most democratic" and "most combative" against the neo-liberal structural reforms, one of the SME leaders ordered security police to expell the LYM members from the union building. Outside, a group of retired electrical workers confronted that particular SME leader and the police, and managed to gain entrance to the building for the LaRouche youth once again, to finish their leaflet distribution.

The next day, at an assembly of SME retirees, that same leader incited those attending to physically expell the LYM organizers from the meeting. And yet one week later, when the LYM returned to the weekly meeting of the retirees, those same workers who had pushed the LYM out the door the previous week, shamefacedly apologized to the youth, telling them: "We behaved very badly with you last week." Others said, "I read your leaflet and what you're doing is very good. I don't understand why our leaders are stopping you from getting it out." One member of the retirees' board said outright, "Forgive me. It's just that Rosendo (general secretary of the SME) ordered that you not be allowed to enter."

Yet another group of retirees invited the LYM members to come speak to their assembly, and after being briefed on the fight against privatization of pensions in Mexico and in the United States, they gave a monetary contribution to aid in printing more leaflets.

National Shame

The fight has just begun. For the regular sessions of Congress which began on Feb. 1, the LYM targetted those legislators who, in the past, have voted in favor of handing over workers' savings to the synarchist bankers and speculators. At the same time, the LYM is planning to distribute thousands of leaflets among the leaders, and rank and file of the public employees unions. One million teachers affiliated with the

National Union of Education Workers (SNTE), who constitute one half of the ISSSTE members, are already one of the LYM's primary organizing targets.

Through its mobilization, the LYM intends to remind the country's political and labor leaders that, in 1973, the Mexican government broke diplomatic relations with the Augusto Pinochet dictatorship, and accepted thousands of people as political refugees, who otherwise would have been jailed or assassinated under Pinochet. Today, a large number of the political leaders who once supported the Mexican government's position and condemned the Pinochet dictatorship, are now promoting the very policies they once repudiated.

The LYM's mobilization will determine whether there is still room in the Mexican political system for shame, and therefore, for national survival. Meanwhile, the LYM is bringing into this fight against fascism, a growing number of youth who will become the new political leadership of the country.

LaRouche's Fight Comes to Mexico

During the first phase of a tour to Monterrey, Mexico City and Querétaro, LaRouche movement representative Will Wertz held meetings in Monterrey with 400 members of four different trade unions who were stunned to learn that, in reality, the so-called "Chile model" is an absolute failure. These trade unionists came to understand that they must support the fight inside the United States, headed by Lyndon LaRouche, against the privatization of Social Security. Some of the leaders of public employees unions pledged that, after hearing LaRouche's warnings on the danger of global fascism, they will oppose the privatization of the ISSSTE pension funds.

Then in Mexico City, Wertz met with a group of congressmen and congressional aides from the House of Representatives' Social Security Committee, where he continued to emphasize Bush's intention of imposing the fascist Chilean model on the United States. Wertz found intense interest in the U.S. developments on the Social Security front, which are also being covered prominently in the Mexican press. He also met with top trade union officials, who responded enthusiastically to his proposal for coordination between the two countries to stop privatization in both nations.

The mobilization against the privatization of Social Security in the United States, and against the privatization of the public employees' pensions in Mexico, comes as a "second edition," albeit expanded, of the mobilization against electricity deregulation in the U.S., and against the privatization of the electricity sector in Mexico, which culminated in the Enron bankruptcy in the United States. This time, the joint Mexico-U.S. mobilization must culminate in a "second edition" of the Lincoln-Juárez and Roosevelt-Cárdenas alliances, in a total defeat of the effort to impose fascism in both countries, and in a change in political direction toward the effective reconstruction of the economies of both nations.