

We have specific projects and technologies, which are either developed or could be developed, which can address most of the problems. We can bring together the entirety of the planet on the basis of the same principle, celebrated in the Treaty of Westphalia in 1648: It's time to go back to that.

So, that's my message for the moment.

Moncayo: Thank you very much, Mr. LaRouche. I now introduce Agustín Rodríguez, the Secretary General of the Trade Union of Workers of the National Autonomous University of Mexico, and we greet him. He will speak about the problems that globalization has brought to Mexico—particularly, a law was approved in Mexico, privatizing the social security of state-sector workers [ISSSTE], and this law completely violates any concept of dignity that workers have. Agustín Rodríguez as a leader, both of the university trade union, but also as a component group of the UNT trade union confederation, has been carrying out a series of activities to denounce these violations of workers' rights, and the really anti-democratic nature of this fascist-type reform, which is being imposed in Mexico and across the continent today.

Eng. Agustín Rodríguez: Stop Social Security Privatization in Mexico

Thank you very much. Good afternoon. I've arrived slightly late to this conference and I'd like to apologize for that. But today was an important day for us, because of the demands which we have been making, the protests as the UNT, and more specifically as the STUNAM trade union, protests with regard to this new law which has been imposed recently on state-sector workers, and which totally changes the social and economic context that workers face, especially in terms of what they get for social security here in Mexico. Today, we got a response from the Labor Ministry of Mexico, a response to a document which we gave them eight days ago—we gave it to Javier Lozano, the Labor Minister of Mexico—in which we presented and we documented the violations of the Mexican Constitution which are implicit in the law which was approved on March 30th. And today, they answered us. And we have not yet analyzed it from a legal standpoint, and we're going to continue with our work.

Now, here, it's very important to turn to the subject of globalization. If economic globalization were good for all human beings, we would be seeing general benefits on a global scale. However, there's something about economic globalization, which is that the only thing that has happened as a result of it—and this is the case not only in Mexico, but just about in every country around the world—is it has increased the poverty of the citizens. It has also reduced the income levels of all workers, and that is something which has to be analyzed in



Eng. Agustín Rodríguez, Secretary General of the Union of National Autonomous University of Mexico Workers.

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upcoming conferences and actions which we will be carrying out. Because it's not just a question of having a policy position opposed to the free market economic system, but rather, we're opposed to a policy which has been producing the impoverishment of millions of Mexicans.

Economic Crisis in Mexico

If we look at our situation here in Mexico, if we look back two Presidential terms ago, 12 years ago, we had 18 million Mexicans who were living in poverty. Today, 50 million Mexicans are poor—and of those 50 million, 20 million live in extreme poverty. At this moment in our country, there are many parts of the country where education is not available in an adequate way. There's no quality education for all the inhabitants of the country, even though there is a constitutional provision, a social provision of tremendous impact, which establishes that the state must provide obligatory and quality education for all Mexicans. But we don't have that! As a result of that economic system which has produced so much economic inequality, we find students who don't even have an adequate place to go to school for a basic education. And that is something which has been happening.

Another area of impact: Public education is not really supported, it is not given the support that it requires from the Federal Executive branch of government. Every year, we have to fight for them not to cut back the budget. This year, in the previous Presidential administration, the previous President, President Fox, achieved the impossible: He managed to get the general budget for education to *fall* by 0.2% compared to the previous Presidential term. And that gives you an idea of their concept.

Then, if we turn to the issue of food, consumption and food production in the agricultural sector, we have a tremendous deficit, a developmental deficit, as a result of the agreements which were reached through the North American Free Trade Accord (NAFTA). Who are the beneficiaries? It is not we Mexicans who are benefitting. It is the other side of the equa-

tion, because they are the ones who have tremendous economic capabilities for subsidizing their products, the products produced in their countryside and their agricultural sector, and they do so with millions of dollars. Here in Mexico, we just have a couple of million pesos for those subsidies. The United States is actually violating that NAFTA agreement, because it's prohibited to subsidize agriculture, yet the United States is doing this in a really cynical fashion. Because, what this does, is that it encourages inequality in the generation of free trade.

So therefore, there are a lot of agricultural products which enter Mexico from abroad. And what we produce here in Mexico just has to be thrown away. Because these products rot, because they are warehoused and no one buys these products, because they're more expensive than what is dumped from abroad. As a result, agricultural production in Mexico is not developing.

So there's no development of the countryside, and of agricultural products, and of food in Mexico. Then we find the other aspect of the economy, which I wanted to mention, which is the feedstocks for animals, which are in turn used for human consumption. Animals that consume transgenic agricultural products, some say this is generating diseases. This has not been proven; but what is a fact, is that we are facing a lot of diseases which we didn't have previously, and these are now developing, especially in countries such as Mexico, because of the consumption of feedstocks which are developed under this agricultural process of transgenic crops.

The Social Toll

Now, let me turn to the social aspect of this, which is the final point I want to mention: Social security in Mexico has functioned under a system, which has a name which says what it is; it's *social* in nature. Now, what's happening today, is that accounts are being individualized and privatized. We have a situation where medical services are being privatized, and this is a path to the free market economy, to a supply and demand system, for pensions and retirement funds, and for medical services.

We are convinced that the fight being waged by our trade union and others as well, is not a fight which will end today or tomorrow. It's a long-term battle which is not only part of the broader phase of the fight against this new law, the ISSSTE law which has been imposed, but it is part of a fight against what has been identified as "structural reforms" of the entire system. And those structural reforms are what are being



Rodríguez tells how NAFTA and globalization have destroyed living standards in Mexico, as shown by this "housing" for maquiladora workers on the border with the United States.

pushed in Mexico, to generate an even greater exploitation, along with a greater enrichment of the owners of capital. There is a proposed tax reform which is under way, and there's also a labor reform, which is being discussed.

On this labor reform: There is one article which the business layers really want to change. This is Article 35, which establishes the ways, the mechanisms by which businessmen can hire workers. The issue is the idea of hiring temporary workers, and hiring apprentices. That form of hiring, in the '60s and '70s, led to an enormous exploitation of the workers, such that, in 1971, we managed to reform that article, and we eliminated that form of exploitation, that kind of hiring of workers in Mexico.

Now they want to reopen that same issue. Why? To be able to create so-called "flexibility" in the hiring of workers which will eliminate social security, absolutely and completely—no benefits, collective contracts, or trade unions. Because, with this kind of temporary hiring, for three months, four months, and with such a large supply of unemployed labor, clearly today, they'll hire a worker and in three years, they'll hire the same guy all over again. And that will destroy any kind of social security, and any defense of the interests of workers.

There was a very good debate which we were involved in in the last legislature, and we were able to deal with in the Labor Committee in Congress, and we managed to ensure that that change did not go ahead in the last legislative session. But that's the nodal point, the central point of the legislation, because that would allow them to make any kind of hiring "flexible."

Even worse, the idea of hiring for apprenticeship, which

becomes a merit-based system, so that somebody comes and says, “I’m going to come here to work and learn, but I’m not going to be paid; or else, pay me just a little.” And this will lead to even further exploitation of workers. We’re totally opposed to this.

We have said, and we’re quite convinced, that the structural reforms that are being proposed, are being pushed, so that Mexican workers and Mexican society accept this as a condition, supposedly to be able to open up the country and create development. This is a fallacy. This is totally contrary to the interests of development of Mexicans, because it’s been shown that where these types of schemes have been applied, there has not been progress, there has not been any development, and there has not been any reduction in the social injustice gap, which the economic neo-liberal system has created. And that’s where we want all of these aspects to be rediscovered, reopened.

This is the path of lack of equity, lack of equilibrium, lack of development, lack of fair conditions. I’m convinced that the only way, the only formula to be able to develop the country—and this is not something which I’m inventing, but which has happened in developing-sector countries—is to protect, and always be very careful to maintain and promote, step by step, to protect your internal market. If you protect your internal market, you encourage employment, you take care of health, food, nutrition, education of the population. In this case, our internal market has been completely destroyed. It has been made subject, our entire economy, 70% of it, to foreign interests; it depends completely on what happens in foreign markets.

Now, these matters are not counterposed, because we can develop our foreign markets, because we do have to participate and encourage all the exports imaginable. But, we must defend the internal market, first and foremost. That’s what the United States does; that’s what France does; that’s what they do in many countries around the world. And that’s the key to the differences, the disagreements that we have. Those of us who are *not* in agreement with this oh-so-pragmatic formula of bringing goods in from abroad, imposing these products here in the country—they tell us that this is generosity, charity, goodness. Yeah, sure it is ... but only for the few.

Impoverishment of All But a Few

And so, just a simple exercise: Take a look at our country. Our country is on the verge of having the first trillionaire on a world scale. What does that mean, to have the first trillionaire? It means that we have tremendous poverty! I don’t want to compare ourselves, in the scheme of things, to countries in Africa, in terms of starvation, but there are parts of the country where that is happening. We’re not far from going into a situation with that kind of impact, if there’s no food production in the country, if there’s no generation of employment, if there are no dignified salaries, because only owners of capital have

decent incomes. So, in the final analysis, what we have here is something that can not be understood except in one way: Yes, there is wealth production—but, only a few benefit from it. And that’s why this neo-liberal economic model has to be reviewed, reformed to stop the generation of poverty and impoverishment which is going on.

This is something that we’ve been working on as a trade union, not just recently. We warned about this in 1985, when the imposition of this neo-liberal economic model began, and where we presented a diagnosis of what would happen if we did not act in time. That was 1985, during the period which was the supposedly Golden Age of the PRI government, which encouraged the imposition of this neo-liberal economic system. And everything which is happening, and which the two most recent governments have followed without question—they’re following the exact, same program. And we said back in 1985 in a full-page advertisement: “The destiny of Mexico is being lost, we have to change our course.” What is going to happen, when everything that we said there, is now happening in our country?

We diagnosed the situation back then. Unfortunately, in the trade union movement in general in Mexico, we have not yet found enough perception or sensibility, to be able to create a broad front with three or four central objectives, so that as a great trade union mass of people, we can carry it out. I’m completely convinced that the only people who can change the path of Mexico, are we, the organized workers of the country, those who generate the wealth; those who ensure that everything that exists in this country actually moves! And the same holds worldwide. And that’s the worker in the countryside, the worker in the factory, the worker at the universities, the worker in the schools, the worker in hospitals, the worker everywhere. We are the ones who can do it.

Unfortunately, in our country, we still have a situation, where there are comfortable postures held by some trade unionists, where, in exchange for three or four little bits of political power which are handed out, people make deals. We have not been able to create a broad movement in the left, where we have three or four currents in the trade union movement, or the cooperative movement, also with three or four groupings. We haven’t been able to do what we need.

But it doesn’t matter: In the final analysis, the demands of the workers are being felt. We have to get busy, we can not continue to have a situation of passivity, of comfort; because we have a crisis facing us in the short, medium, and long term. And as a trade union, the STUNAM, we are involved in this. We do not tire. This new law which has been imposed, they may have imposed it today and for tomorrow, but we are going to get it abrogated. We fought for this, in the ’70s and ’80s. We fought to make sure that workers had full labor rights. And with a Congress that was 90% in the hands of the PRI, we managed to transform Article 3, so we were able to modify the Constitution. Now, this is a secondary law, and I do think that



Government of Mexico

The late President José López Portillo raises the national flag in 1982, proclaiming the sovereignty of the republic and nationalizing the banks. Despite promises, he was not supported by the governments of Brazil and Argentina, and Mexico “went into the soup as a result of that.” He and LaRouche remained friends until López Portillo’s death in 2004.

we can get it cancelled, abrogated, so that the constitutional rights of workers are respected, rights which are today being violated by this new law.

If there are any comments, I’m available. Thank you very much, and we’ll open it up to conversation.

Moncayo: Okay, thank you very much, Engineer Rodríguez. After the presentations by Lyndon LaRouche and yourself, it’s clear enough that the world needs a new world economic and financial order, with the programmatic content along the lines of what Mr. LaRouche has proposed this morning.

What I would like to do now is to open the floor for a period of questions and answers, both from our international audience, and also from here in the auditorium in Mexico City. We see that more and more people, labor representatives and others are arriving. Along with Eng. Agustín Rodríguez, we see another important leader of the STUNAM, biologist Agustín Castillo, and also Erik de León, a representative of the LaRouche Youth Movement in Mexico City and in Mexico as a whole.

The Bank of the South

I have here the first question which comes to us from Bolivia:

“As all of you know, the Bank of the South is in the process of being created in South America. What are the main

obstacles that have to be overcome as South American nations, to bring this about?”

So, I would like to ask Mr. LaRouche to answer this question about the Bank of the South, and then we will ask Mr. Rodríguez to speak.

LaRouche: The Bank of the South is a real victory, but a limited victory. It’s an essential step, because it changes the character of the relations among the nations of South America. It’s not perfect yet. But it is a first step, a very important step in that direction.

Let me go back on this thing: Back in 1982, when I was standing with a great friend of mine, the President of Mexico, López Portillo, and we had at that point assurances from the governments of Brazil and Argentina, to support López Portillo in these efforts. And they, under great pressure, capitulated, and Mexico went into the soup as a result of that, in the Fall of that year. But the precedent was great. López Portillo is a hero. That has been lost somewhere in the shuffle, but he stood up with courage, and one should look at his address to the United Nations in October of that year, which is still available. And you see a statement of a patriot of his country, defending his country against the rapacity, which at this point was coming from the United Kingdom and the United States, in particular.

So, what this represents is a *line of resistance*, against the debt-prison condition of the nations of South and Central America. The very fact that this institution has been initiated,

actually with an action started from Argentina with the support of other countries—Brazil and Venezuela, and so forth—and other developments, are good developments. They do not answer the question, they pose it. And they bring together a group of nations, which are now in a process of discussion to try to understand the Westphalian principle: Can we in other parts of South America, understand the problems of Bolivia? Can we understand the problems from other parts of South America, in Peru? Can we understand the crisis which faces Ecuador, because of the recent history? Can we understand these things? Can we make the concern about the other, our primary concern? Knowing that if we *all* agree on that, we can establish a system.

So, you need a banking institution, a central credit institution, backed by the constitutional arrangements provided by each nation, to create a common institution, whose slogan should very well be the famous Westphalian slogan: “The Advantage of the Other,” that each of us cooperate to the advantage of the other.

Now, this requires an international arrangement, as Agustín has said. We in the United States have a special understanding—or some of us do, at least—of the problems of Mexico. I’m sort of close to Mexico in many ways. But, what we’re doing to the Mexican population—we drive it into desperation, we drive it across our border; we use it as cheap labor; we destroy Mexico in the process of doing that. Then, we blame Mexico for attacking the United States, by sending its cheap labor over to work for our companies here. It’s wrong!

The security of the United States, in past times, often depended upon the security of Mexico. Take the case of the Civil War: The British, supported by the French at that time, Bonaparte, overthrew the government of Mexico. This was an attack upon the United States! When the United States won the Civil War against the British puppet called the Confederacy, we acted. And Mexico regained its sovereignty.

We have always understood, since Secretary of State John Quincy Adams, before he was President, we’ve always understood, that the defense of the sovereignty of our neighbors, is an essential part of our security. And this is the same thing for the hemisphere: The conditions of life in Mexico imposed today, are a threat to the United States. They’re a threat to Mexico. You have similar kinds of attempts, which are being resisted, in South America! So, resisting these kinds of repressive, really, colonialist methods, is an essential part of the defense of each country on behalf of the other.

If we understand this, and if we understand that, as nations, this is the case, we can solve the problem. The other thing is a question of national sovereignty. If you do not have national sovereignty, you don’t have citizenship. You are simply a peasant, with no protection from the landlord. Because each of us—sometimes we have the same language, with slightly different dialect, but we have a different history, and among our ordinary people, there’s a different history. There-

fore, in order to govern, sovereignly, we must be able, in each case, to bring our people together in some kind of functioning relationship, where they can act *with a united, sovereign will*. We have to then, bring nations, which each have their sovereign will, as defined in part by their cultural history, and their specific history, together, to understand what their common interest is, as a group of nations.

And to me, we are approaching an understanding of that type. It may not be settled, but we’re approaching it in a discussion around the Bank of the South, which I think is extremely important.

And this ties in: If we understand that the success of the Bank of the South, in terms of its intention, in South America, is essential for Central America, for Mexico, and for the United States, and if we realize that we can only realize that by setting up a new international monetary system, which includes the Bank of the South as one of its key institutions, then we are on the road to victory.

So, I think the Bank of the South should not be exaggerated, in the sense, don’t put too much blame on it for what must be done. But it is an indispensable institution, at this time, and it must be defended, and promoted, as an indispensable institution, with the intention that it should become an integral part of a new world monetary system as a whole, in which it represents its part of the world, and is part of the general concern for the welfare of the other.

Moncayo: Thank you very much, Mr. LaRouche.

Here in Mexico, from 1994 on, under the regime of Salinas that began at the beginning of that year, the Bank of Mexico was granted a supposed autonomy. It was no longer answerable to the Executive branch of government, and with that, the collapse of the internal market was aggravated by the lack of internal credit for production. The Bank of the South is, as Mr. LaRouche has explained to us, a fundamental pillar in the step towards creating credit for production.

I would like to ask Eng. Agustín Rodríguez if he would like to make any comments with regard to this question, which was asked from Bolivia by Mr. Ibáñez from La Paz.

Rodríguez: Well, I think it is important for there to be an alternative institution, to what we know is the World Bank, the Inter-American Development Bank, which is what has created an lot of impoverishment, because the credits which are issued, then create circumstances where it’s very difficult to repay these loans. And those loans, these credits—I don’t know of any country in Latin America which is not indebted. So, I think that it is important to build an alternative banking arrangement, with resources that could be used or where contributions could be made to it by all countries which want to have a different form of development. However, that’s only one part of the problem, the capital side of the equation, because the other part is to encourage and to create a formula or way of carrying out joint work, where Latin American countries, especially those which produce oil, where others pro-



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For Mexico, as for all the world, an economic recovery will mean long-term infrastructure projects in power systems, water, transportation, and social infrastructure such as schools and hospitals. Here, the Atucha nuclear power plant in Argentina.

duce agricultural products—that is to say, we could set up a Common Market which could lower the cost of living in the countries of Latin America.

That's something which has been discussed. It was discussed and presented at one point by Fidel Castro. It was also discussed by Hugo Chávez, and now also by the President of Bolivia, Evo Morales, and that's where we have to work. I think the idea of discussing a broad united front of trade exchange is necessary, because it's not just a question of banking. It's the other side, which allows us to create a front, which would allow us to renegotiate that enormous debt which all countries in Latin America have, and to encourage a different kind of economic development, completely different from the current form of development, which has only produced conditions, where the interests of capital have greater benefits than society in its totality.

Moncayo: Okay, thank you very much, Agustín.

We would also like to announce that we have here in the auditorium, the General Secretary of the trade union of the passenger transportation sector of Mexico, Clemente Estrada, and he's here to participate in this dialogue with us. I would like to announce that in a few moments, we will have greetings from the Secretary General of the General Trade Union Confederation of Argentina, the CGT. As you know, this is the most important trade union confederation in Argentina. And so we want to now turn to Argentina, which, after having won an important and unprecedented victory in social security, we need to emphasize the great progress being brought about towards the general welfare of the society, which is being pur-

sued by the government of Néstor Kirchner, and also coming from this important trade union base, which is the CGT.

Now, let's turn to some questions from the auditorium here in Mexico City.

Q: My name is Alfonso Flores. I'm a representative of the workers and my question is: What is the point of view of the new ISSSTE reform laws, in terms of handicapped people? What will happen to the handicapped? I would like to ask Agustín Rodríguez to please answer this question.

Moncayo: One minute, please. First, I'd like to ask if there are any additional questions from the auditorium here in Mexico City. If anyone would like to ask a question with regard to these two presentations which we've heard so far, please come forward. We have a member of the LaRouche Youth movement, who wants to ask a question.

Mexico's Role in Global Development

Q: My name is Carlos Jonas of the LaRouche Youth Movement. . . . I would like to ask Mr. LaRouche to present a perspective of how Mexico can participate in a more direct way in the reconstruction of the world through these great infrastructure development projects which have been proposed, including this idea of the tunnel going through the Bering Strait, since sometimes, it's hard for us to make the population understand how Mexico can participate in this worldwide economic reconstruction. Of course, without leaving aside dealing with all of the neo-liberal economic measures being proposed, but also in a parallel fashion, how can Mexico participate in the creation of these projects which, as far as I'm concerned, would resolve a large part of the poverty which the population of the world is facing today?

LaRouche: Well, the answer, of course, essentially, as I know it with respect to Mexico, is that what happened, beginning the Summer of 1982, was a process of willful massive destruction of Mexico and its people. This was accelerated. It was already begun then. It was begun under heavy pressure from the United States and from the United Kingdom. I fought against it. López Portillo and I got into great trouble for fighting against these forces. But the destruction, the systematic destruction of not only the welfare, in terms of incomes, of the people of Mexico, but the destruction of their capability, their productivity, their opportunities to produce, is such that you have permanent damage, which you would compare, for example, in U.S. history, with this situation in the United States after only four years or so under those before Franklin Roosevelt.

We had a problem in the 1930s of a population which had suffered great loss in productivity, in skills, in opportunities, in industries and so forth. We had to rebuild. Franklin Roosevelt rebuilt. In fact, we had a drop of the U.S. economy by about 30% from the time of the 1929 crash until the time that Roosevelt was inaugurated. These policies were not just caused then. They were caused by a longer period of measures over the whole period of the 1920s on. There were certain wars in Mexico and so forth, which had an effect on this, and also on the United States itself.

Therefore, we in the United States, under Roosevelt's policies, which are the traditional American Constitutional policies, we rebuilt the United States. We created the greatest economic machine the world had ever known, from the depths of poverty, over the period into 1945 and the end of Roosevelt's death. And Roosevelt had intended, had he lived, to develop the entire world on that basis, by converting the war machine we had built up to defeat Hitler, to use that to develop developing countries, and to give nations which had been colonial nations or semi-colonial nations, their freedom to develop their future, to create a community of sovereign nation-states on this planet.

Now, we face a situation in the Mexican population which has two components, two principal components, inside Mexico and inside the United States. This population is in grave danger, so therefore, what we would have to do is take a project like the anticipation of the completion of the Bering Strait Tunnel. We wouldn't simply wait until that tunnel is completed to start the operation. You would already build the adjuncts which are going to fit into it, to build up the entire network of operations from Alaska through Canada, into the United States and southward all the way to Tierra del Fuego. We have to now. So knowing that we're building an international system would be reason enough to build each component, not wait till one's completed before starting the next one.

What we would face, as a problem in Mexico—presuming that Mexico gets back its sovereignty, the sovereignty that existed on paper, at least existed in principle, at the time the attack on the López Portillo government occurred in 1982—we would have to rebuild, largely starting with infrastructure projects, long-term major infrastructure. This would mean high-speed transportation. This would mean water systems. This would mean power systems. These would have to be largely public institutions, because you don't have the private institutions which could do this on that scale. You would then use, as we did in the United States in the 1930s, for example, you would then take the poor population of Mexico, the agricultural, the rural population. You would have to have a protectionist policy, to protect the Mexican jobs, and protect the living standards by protectionist measures, which would prevent companies from dumping cheap products on Mexico to shut down their industries. You would have to have the institutions to rebuild the well-being of the Mexican people, especially the Mexican poor. You would have to have reforms in

education. These kinds of things were tried in the United States during that period, and we continued some of these things after the War had concluded. We did create an increase in productivity per capita, we did increase the standard of living inside the United States, *by these internal development measures*, not by foreign measures. And therefore, the same thing would apply here.

A Fifty-Year Perspective

We have to see the coming 50 years of the world, as a 50-year additional development program. We have to envisage along all the rights of ways of the great transportation systems, ground-based transportation systems, which are needed for this. We have to see all along these routes, we are developing the routes of development—protectionist routes of development, protection of national sovereignty, economic protection of national economic sovereignty—and thus build up the Mexican population, both that which is now working as virtual, almost slave labor, in the United States, and as slaves looking for employment as slaves on the south of the Mexican border with the United States. We have to change that. We have to move that in Mexico as well, but we have to be patient. We have to realize that we have desperately poor people throughout the hemisphere. We must understand the problem of developing a nation over several successive generations, to take the immediate situation, find remedies, improve things now, move upward, upward, upward, over three generations.

You know, when people came into the United States in the late 19th Century, early 20th Century, they came in from Europe. They came in in three generations—those who came in as cheap labor from Europe became the scientists, the physicians and so forth of our economy, not all of them, but many. We integrated the population of the United States. So then, under Roosevelt, we saw ourselves as one people, no matter what time, we came into the United States, we saw the United States as a place where there were no oligarchies. Or we had a few from England, but not real oligarchies as in Europe. And people were glad to be in the United States, *to be free of the burden of a European-style oligarchy, of the type that still dominates the continent of Europe and the United Kingdom today*.

And we have to have that attitude, of building the strong citizen, with a sense of citizenship, with a sense of a future over a three-generation or four-generation span. We have to have people who are struggling today, knowing that their grandchildren will prosper, and seeing their future in what they're contributing to their grandchildren, as we did then in the United States back in the 1920s and 1930s. And with that attitude, we are going to take the view of developing the entire hemisphere as a part of a global system.

Moncayo: Thank you very much, Mr. LaRouche. Before going on, I would like to ask Mr. Rodríguez if he has any comments on these ideas posed by previous speakers.

Rodríguez: Only on this question of the workers who are handicapped, the new law doesn't deal with this at all. Here, there's no delimitation, no reduction of benefits under the previous law. So, that's what I would say at the moment. I wouldn't want to say anything further, because I understand there are other presentations that need to be made.

Moncayo: Thank you, very much.

Now we are going to hear from Yasmir Fariña Morales. She is currently the Vice President of the FENAFUCH, the National Federation of University of Chile Employees. She has a very long history of fighting for social causes and for the defense of the interests of university workers, and workers in general in Chile. As you know, Chile was the first country where the policies of social security privatization were implemented. This was done by force, by violence under the Pinochet regime, and from that time to the present, we see some of the results. Please go right ahead.

Yasmir Fariña: Chile's Fight Against Social Security Privatization

I am speaking from Chile, and I want to speak about the damage caused by the privatization laws. I want to thank the Lyndon LaRouche organization and also congratulate Agustín Rodríguez for having undertaken this tremendous battle. We have been fighting for about ten years now in this university to expose the privatized social security pension system in Chile.

The pension system was changed during a dark period of our history, which began on Sept. 11, 1973 with a military coup. What was imposed in Chile at that time was an economic system, and political and social system of globalization and neoliberalism. Chile became the first country, the first laboratory for the neoliberal system, to an extreme. And today, we see how the concentration of economic power through the AFP system [Pension Fund Administrators, or the private pension funds—ed.], has made employment more precarious—that is, through “flexible” jobs. Young people don't have any future in the labor force. They are hired on a daily basis, for specific projects, and paid a daily stipend. People who reach a certain age are considered to be “too expensive,” not efficient enough, and their years of work are not recognized.

In this model, which has been imposed on us and which, unfortunately, in the four years of the *Concertación* (Coalition) government, we've been unable to change, 50% of the labor force does not pay into the system. This is a very significant number of people who, because of their low wages, will not be able to obtain any kind of a dignified pension when they retire. We find that this model doesn't permit people to



Courtesy of Yasmir Fariña

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move freely to the “pay as you go” system. So we have become slaves to a system with no possibility of improving it, since the [government's] current proposed reform confers legitimacy on what was imposed on us under the dictatorship. So this is the brutality of neoliberalism imposed on us here in Chile.

We've reached the extreme of privatizing everything basic—electricity, communications, potable water, education. The state is less and less involved in financing public universities. Today, at our university, only 17% of our budget comes from the government, and the rest has to come from “self-financing”; that is, from outside sources. There are a whole number of private universities that have been created, where education has been commercialized, and the gap between the poor and the rich is more brutal day by day. As for public education today, students don't have access to it, and can't get into the public universities because the system is very bad.

Our public health system was also privatized. Today we