

# Lyndon LaRouche to teach economic method in Mexico

by Gretchen Small

Reversing an earlier decision, Mexico's Government Ministry decided on Sept. 3 to grant economist Lyndon H. LaRouche, Jr. a visa, so that he can visit Mexico to address a number of student conferences in various cities, on the principles of economic method required for Mexico, and the world, to halt and reverse the current economic collapse. LaRouche's trip opens on Sept. 18, with a keynote speech before the Second "Conquering Frontiers" Congress of the student Export Club of the Guadalajara campus of the Monterrey Technological Institute.

Rarely does a prospective visit by an international personality attract national attention the way LaRouche has, even before his arrival. As the International Monetary Fund (IMF) is most painfully aware, LaRouche is quite famous in Mexico, a country which he has visited four times before, as the man who called the shots on the 1982 debt crisis, and as the economist who posed a way out of that crisis with his *Operation Juárez* strategy for Ibero-America to form a debtors' union, and force negotiations for a new world monetary system.

Mexico today is in the throes of a crisis more grave than that of 1982, both economically and politically. Mexican students, as well as members of the country's elite, were determined to discuss the world crisis with LaRouche—now, and in person. When the Government Ministry first turned down LaRouche's visa request, the students who had invited LaRouche took to the press and announced that they had appealed personally to President Ernesto Zedillo to get the decision reversed, and vowed that they would have LaRouche address them by satellite, despite the cost, if that's what it took to talk with him.

On Sept. 1, one of the "institutions" of the Mexican media, José Neme Salum's weekly financial column in the country's leading daily *Excelsior*, asked: Just how unstable is Mexico's financial situation, if the government is afraid to let LaRouche meet with Mexican students?

By the end of the week, LaRouche was in the news almost daily. When it wasn't on the battle over the visa (see *Documentation*), it was on LaRouche's role in shaping U.S. policy toward Mexico. On Sept. 3 and 4, *Reforma*, one of the country's most widely read national dailies (also closely followed by international Mexico-watchers, for its intelligence

"scoops"), ran a splashy, two-part series on the controversy over the stalled nomination of William Weld to become U.S. ambassador to Mexico. Featured prominently in *Reforma's* Sept. 3 opener, were the charges of Weld's "political enemy" LaRouche, regarding the Boston Brahmin's ties to drug-money-laundering, the Bank of Boston, and former President Sir George Bush.

## Phase change, for the worse

The Mexico LaRouche will visit entered a new phase of institutional collapse at the end of August, as "political reforms" demanded by the IMF began to do to the institution of the Presidency, what its economic reforms have already done to the country's economy. Plans to force Mexico to move from its current U.S.-style Presidential system of government, to the inherently unstable European parliamentary model, took a big step forward when the newly elected Mexican Congress was seated on the weekend of Aug. 30-31.

The political opposition staged a showdown over control of the Congress, and won. In last July's election, the ruling Revolutionary Institutional Party (PRI) had won a plurality of the seats in the Chamber of Deputies (239 seats out of 500), but four jacobin opposition parties—the Revolutionary Democratic Party (PRD), the National Action Party (PAN), the Workers Party (PT), and the minuscule Green Party (PVEM)—signed a formal alliance, which gave them more than 251 seats among them. Declaring themselves "the majority," the alliance put out the word that they intended to elect the PRD's Porfirio Muñoz Ledo as Chamber president, thus giving them control over key congressional committees as well. The PRI delegation denounced this as a violation of congressional rules, and boycotted—to a man—the inauguration of Congress on Saturday, Aug. 30.

An institutional crisis loomed as the PRI threatened to open an "alternative" Congress on Sunday, and to boycott the State of the Union speech on Sept. 1, unless the opposition agreed to a PRI plurality, if not absolute majority, in the Chamber. On Sunday night, under intense pressure from President Zedillo, the PRI buckled. The State of the Union went ahead—on the opposition's terms. Instead of being delivered at 11 a.m., as is traditional, it was put off until after 5 p.m.

The President arrived at the Congress with minimal security, almost alone, and with no crowds to greet him. No military officer stood behind him when he spoke, as is traditional. After Zedillo's speech, he sat through Congress's "answer," delivered by Muñoz Ledo.

The media, in Mexico and abroad, hailed the event as the end of the Presidential system and the start of a new era, in which the Legislature is "co-equal" with the Executive. One had to chuckle at the irony of reading the British Empire's news agency, Reuters, which, like the House of Morgan's Queen-loving *New York Times*, shamelessly hailed the collapse of the Mexican Presidency, as the defeat of an alleged "monarchical" and "authoritarian" system of government, even while those same media furiously defended the House of Windsor.

On Aug. 29, the *Wall Street Journal* weighed in even before the show started, hailing the PRD's Muñoz Ledo as "the Newt Gingrich of Mexican politics." Don't worry about the PRD turning against IMF economic policies, the *Journal* counselled its readers. Before taking over Congress, Muñoz Ledo told a gathering of opposition congressmen in Mexico City, sponsored by the U.S. Embassy and the World Bank, that "administrative efficiency . . . [and] the slimming of the state . . . are compatible with the ideology of the left."

This is precisely what had been "forecast" by Sir George Bush's buddy, James Baker III, in an article in Rev. Sun Myung Moon's *Washington Times* on July 20. Baker welcomed the sweeping victory of Fidel Castro's friend, Cuauhtémoc Cárdenas of the PRD, as mayor of Mexico City, as the beginning of the end of the Mexican political system. Baker then foretold the fight for the Presidency to come. "The more immediate and possibly more profound change in the Mexican government will occur in the Presidency," he said. "The near imperial Presidency of the Mexican tradition" is almost finished. Baker concluded: "Opening up the political system can persuade the general public to support painful economic reforms—when they are proposed by politicians in whom they have confidence."

### **Next on the agenda: separatism**

On Sept. 9, more than a thousand Zapatista National Liberation Army (EZLN) terrorists and sympathizers began a march from their stronghold in southern Chiapas state, intended to finish in Mexico City four days later. On the same day, another 1,000 "Indians" from the drug- and terror-conquered state of Guerrero, launched a parallel march toward Mexico City. Both marches will join in the capital city, together with supporters from the United States, Italy, Australia, and elsewhere, for a founding convention of the Zapatista National Liberation Front (FZLN).

The marches and convention have a single goal: to force the Mexican Congress to change the Mexican Constitution, granting political, cultural, and territorial autonomy to so-called indigenous communities throughout the country. Such

a "reform" would in effect hand strategic portions of the country over to the narco-terrorist EZLN and its various spin-off gangs, which have many of these impoverished communities under their heel, and under the gun. Zapatista chieftain "Marcos" made that very clear, when he assured the media that the founding of the FZLN did not mean that the Zapatistas would be giving up their weapons.

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## Documentation

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### Press covers fight over LaRouche's visit to Mexico

*The battle over whether to grant Lyndon LaRouche a visa to visit Mexico was covered extensively in the Mexican press. The following are excerpts from that coverage.*

*Excélsior*, Sept. 1, by José Neme Salúm.

"... What is new, and healthy, is that many Mexican youth now know that they cannot depend on the darkness of the marketplace, and its merchants and its peddlers. What did they do? They set out to seek the truth, and along the way, they ran into Lyndon LaRouche. You will recall, dear reader, the Ninth Forecast of this great economist—who is equally a great politician, physicist, and geometer—which he made in May 1994, in which he warned about everything that has already taken place, and of what is going to happen, if the market route continues to be followed. He has been quoted various times in this column.

"So, the 'Export Club' of the Guadalajara campus of the Monterrey Technological Institute decided to invite Lyndon H. LaRouche, author of *So, You Wish to Learn All About Economics?*, *In Defense of Common Sense*, and *The Science of Christian Economy*, to name only a few of his works, to Mexico, to participate as keynote speaker in the Second 'Conquering Frontiers' Congress, to be held on Sept. 18-20. . . .

"That is, young people who hope to be productive entrepreneurs who can know for themselves when there is growth, and when not, and why the economy grows, and why not. . . . It was to these youths that the government of this country, through the National Migration Institute which has denied LaRouche permission to enter Mexico, has denied the right to listen to the only credible voice in economics of the last 25 years. . . .

"If the mere presence of LaRouche in Mexico to meet with young people frightens the ruling free-marketeers, how unstable really is the actual situation of the country?

"It is so weak, that it is enough that a highly knowledgeable man comes to the country to give some conferences, and

by doing that, brings about that very something that [President Ernesto] Zedillo's government does not want."

**Excelsior**, Sept. 3. The article, entitled " 'An Attack on Freedom of Expression and an Abuse of Power,' that GOVSEC Denies Economist L. LaRouche Entry," reported that the decision to deny LaRouche a visa caused "unrest" among the students who had invited him. Rodolfo Torres, coordinator of the Second "Conquering Frontiers" Congress which invited him, told *Excelsior* that the students had sent President Zedillo a letter of protest, in which they charged that the Government Secretariat had committed "a serious breach of the 7th Article of the Constitution, which protects freedom of speech," and had committed "an abuse of power," in denying the visa.

As for the government's claim that LaRouche did not meet the criteria that personalities which visit for academic purposes should be scientists, Torres countered that "there is no one here who could equal LaRouche in this sense, because he is the creator of the LaRouche-Riemann economic model," *Excelsior* reported. The paper continued:

"Moreover, he [LaRouche] is a world-renowned personality, who, in fact, was already in Mexico, first in 1979, invited to the 50th anniversary of the PRI; then in 1981, when he met with then-President José López Portillo, and that same year he returned, invited by the Monterrey Technological Institute. . . . He [Torres] added that in this year alone, LaRouche has visited Italy, Japan, Germany, Russia, and France.

"He [Torres] pointed out that in his [LaRouche's] career, from 1950 to date, LaRouche has made nine economic, financial, and stock-market forecasts, which have come to pass, and in the last [forecast], made in June 1994 on a collapse of the financial markets, he anticipated the derivatives crisis, and the crises of Mexico, Argentina, and of the Asian countries."

**Excelsior**, Sept. 4. The article, entitled "Via Satellite, L. LaRouche Will Give a Presentation at ITESM-Guadalajara Second 'Conquering Frontiers' Congress," reported that LaRouche will present his Ninth Forecast on the financial crisis, by satellite, if the government does not reconsider its decision to deny the visa. Rodolfo Torres, vice-president of the student's Export Club, told *Excelsior* that since President Zedillo had not responded to their letter of protest, the students would try to meet with Zedillo, to request that the government withdraw its denial. If not, he said, LaRouche will give his presentation from Virginia, and the program will go ahead as planned.

The same story was put out on Aug. 30 by the Baja California daily *El Mexicano*; by Monterrey television and by a Televisa news program, on Sept. 2; and by Radio ABC of Guadalajara, on Sept. 3.

**Excelsior**, Sept. 5. Headline: "Economist Lyndon LaRouche Will Come to Mexico. GOVSEC Reverses Itself, and Grants Him Permission to Enter the Country."

"The Government Secretariat (Segob) rectified its position, and decided to grant permission for 60 days to the prestigious U.S. economist, Lyndon H. LaRouche, allowing him to enter the country, and participate as a speaker in the Second 'Conquering Frontiers' Congress, on Sept. 18. Rodolfo Torres, vice president of the 'Export Club' of the Technological Institute of Advanced Studies of Monterrey (ITESM), reported on the decision today.

"Until yesterday, Torres reported, the federal agency had maintained its position of not allowing [LaRouche] into the country, arguing that his expertise lacked 'proper credentials.' But after appeals were made, the National Migration Institute, via ruling 034293, granted a visa to Lyndon H. LaRouche, allowing him to present his keynote speech 'Alternative to Neo-Liberalism,' both in this city and in Monterrey. The speech has been described as 'the science of physical economy of the American [System] model.'

"He has also been authorized to participate, as a non-immigrant visitor, and without being involved in for-profit activities, in a conference at the Center for Economic Research in Mexico City.

"Segob's rectification, [Torres] noted, is coherent with President Ernesto Zedillo's call in his third State of the Union address, to 'discuss a long-term economic program for Mexico.' Proposals made by LaRouche, he said, will be useful for the country's economic development."

**El Universal**, Sept. 7. Headline: "Government Ministry Corrects Itself: Will Permit Economist Lyndon LaRouche to Visit Mexico." The article reported that "the Government Secretariat, in the face of the protests by the Monterrey Technological Institute, reversed course, and will permit the man who has forecast economic changes and catastrophes to come to this city next week." It concluded with the following:

"Lyndon H. LaRouche has been the target of assassination attempts, such as in 1973, in which, according to FBI investigations, members of the U.S. Communist Party attempted to finish him off. Later, in 1983, the former Secretary of State, Henry A. Kissinger, persuaded his partisans in the President's Foreign Intelligence Advisory Board to recommend a secret national security operation against LaRouche, under [Executive] Order 12333."

## MSIA to Mexico's Congress: Promote a New Bretton Woods

*The following are excerpts taken from a statement, entitled "The Unavoidable Responsibility of the New Congress: Promote a New Bretton Woods," issued on Aug. 27, by Lyndon LaRouche's friends in the Ibero-American Solidarity Movement (MSIA) in Mexico, challenging the Mexican Congress*

*to join the fight for a New Bretton Woods monetary system. Subheads have been added.*

The New Congress of the Union, in its first session beginning on Sept. 1, should include as a key item on its agenda, the measures Mexico must take as a sovereign nation-state to promote the founding of a New World Financial and Monetary System, given the ongoing disintegration of the current system under the dominion of the International Monetary Fund (IMF).

The entire nation is waiting to see what this new Congress will do, to see if it were worth taking away the Revolutionary Institutional Party's (PRI) absolute majority. The truth is that the July 6 vote was against current economic policy, and it is in that area that Mexicans are now awaiting an answer.

The new Congress, in its first session, should call on United States President William Clinton, as well as on China, Russia, and the European Union, to convoke an international monetary conference to declare the IMF system in bankruptcy, and to found a New Bretton Woods system.

This proposal, originally posed by U.S. economist Lyndon H. LaRouche, is backed by more than 1,500 congressmen, intellectuals, political leaders, academicians, student leaders, and leaders of farmer, industrialist, and debtors organizations, all of whom signed an Open Letter to U.S. President Clinton which is circulating in various languages on six continents, and which was published in the Mexican daily *El Universal* on May 6, 1997.

Outstanding among the most recent signers to this Open Letter to Clinton are former Mexican President José López Portillo, former Brazilian President João Baptista Figueredo, and former Ugandan President Godfrey Binaisa. . . .

It is no secret that the "surprising" rates of economic growth in Mexico—8.8% in the second quarter of the year, and 7% in the first half—that were presented by the Finance Ministry on Aug. 18, are as real as the last jump of a dead cat, just before its death rattle.

### **The British Empire's offensive**

Following the 1995 bailout of the Salinas model by the IMF, Mexico became the victim of a huge offensive by the British Empire, with Wall Street the minor partner, to seize its strategic raw materials and to loot the economy even further. Those so-called investments created the illusion that the economy was moving, with the buy-up of Mexico at bargain-basement prices and starvation wages in the midst of mass unemployment.

As part of this offensive, the British banks and their associates today control 59% of Mexico's shattered banking sector.

The same economic symptoms that led to the debacle of 1994 are in evidence today: massive flooding of capital into stock market speculation, used to finance the *maquiladora* export model which depends on a high import content, which

in turn generates a trade deficit, a current account deficit, and pressure on the peso.

The massive influx of capital fleeing the crisis in South-east Asia is what has prevented the peso from already devaluing, but this capital does not represent economic health. Rather, it signifies the spreading of the virus of disintegration of the IMF system, which at any moment could trigger a financial and monetary crisis greater than that of December 1994. . . .

The Finance Ministry's figures are a part of virtual reality, and their political complement is the myth that "democracy" in Mexico began on July 6.

This is nothing but democracy of, by, and for the IMF.

In 1988, Cuauhtémoc Cárdenas declared his opposition to the IMF, saying he would not give it a foothold. In 1997, Cárdenas made a deal with the IMF, and became the candidate of interests linked to London and Wall Street, which are using him as an escape valve for the population's discontent. The people are fooled by democracy's decoy, thereby reenforcing the enslavement policies of the free market. . . .

### **The danger of ungovernability**

There exists the serious danger of ungovernability, which cannot be overcome with the pragmatic political arrangement of "the new democracy," to control and manipulate a discontented population.

Ungovernability is the card the British Empire plays, to disintegrate a nation and take control of its oil and other assets. The Zapatista march to the Federal District, announced by "Marcos" for Sept. 15, is intended to pressure Congress into turning "territorial autonomy for the Indians" into the center of congressional debate. It is designed to trigger a new explosion of national ungovernability.

If the Zapatista National Liberation Army narco-terrorists succeed in blackmailing the Congress, the basis will have been laid for territorial disintegration of the nation, beginning with the secession of the southeast, whose oil wealth the speculators of London and Wall Street have long coveted. . . .

It is urgent that discussion immediately begin on the methods of bankruptcy reorganization to which the IMF system must be subjected. The New Bretton Woods which Mexico must convoke, should eliminate the mountains of speculative debt that today threaten the future of entire nations, and should also eliminate the nefarious practice of usury. . . .

This is the responsibility of the New Congress of the Union, if it is to demonstrate to the July 6 voters, and to the people of Mexico, that what was changed in the legislative palace was not just the composition of Congress, but also—and fundamentally—the means of leading this country, which is heading dramatically into the abyss.

If the new Congress refuses to assume this responsibility, it becomes an accomplice of the British plot to disintegrate the nation.