

Battle for Mexico Under Way, Energy Policy Is Central

by Harley Schlanger

In the midst of an intense debate on national energy policy in the Mexican Senate on April 16, between leading figures of the major opposing parties, Manuel Bartlett (of the opposition PRI) said to Senator Rodríguez Pratts (of the governing PAN), “You are a threat to the existence of our Republic.” Bartlett’s comment provoked spontaneous applause from the packed gallery.

This debate opened up to public view the stakes in the Fox government’s campaign to complete the transformation of Mexico from a sovereign republic, with a protected national energy sector, to a colonial satrap of the energy and banking cartels of the United States. While Mexico’s accep-

tance of the North American Free Trade Agreement (NAFTA) represented an important step in this direction for the cartels, they have set their sights on the final, significant step to eliminate the sovereignty of Mexico: the repeal of Article 27 of the Mexican Constitution, which protects the natural resources of the nation from foreign predators, by placing them in the hands of the state.

The National Action Party (PAN) of President Vicente Fox, for whom Rodríguez Pratts serves as a key spokesman in the Senate, is committed to this transformation, under the slogan of “free trade.” Guided by the ideology of the globalist extremists of the Mont Pelerin Society, the PANistas argue that deregulation and privatization will “increase competition,” which will “increase efficiency,” thereby, “lowering prices.”

The experience with deregulation in the United States over the last two decades demonstrates that this argument is a fraud. In reality, the PAN leaders are engaged in a shameless sellout of the future of Mexico to the cartels.

I was in the Senate gallery on that day, present as the Western States Spokesman for 2004 U.S. Democratic Presidential pre-candidate Lyndon LaRouche, with Nevada State Sen. Joseph Neal. We were invited by Marivilia Carrasco, chairman in Mexico of the Ibero-American Solidarity Movement (MSIA)—the LaRouche movement in South and Central America—to participate in public and private meetings in



Conference against electricity deregulation in Mexico, held in the Chamber of Deputies (the national Congress), was organized by PRI Congressman Benjamin Ayala (in light jacket), and addressed by Lyndon LaRouche, MSIA leader Marivilia Carrasco, Nevada State Sen. Joseph Neal (to her left), and LaRouche Southwest coordinator Harley Schlanger (to Deputy Ayala’s right).

the defense of Mexican sovereignty, and on behalf of LaRouche's proposal for convening a conference for a New Bretton Woods monetary system.

'Enron-ization' of Mexico

The strategy being pursued by Fox and the PAN, to break the resistance to this transformation in Mexico, has been developed in the boardrooms of energy firms, banks, and investment houses in Houston, New York, and London. The goal of these "privateers" is to grab Mexico's oil and gas, and its national energy company, CFE.

One of the leaders in this effort is Enron—though bankrupt and disgraced in the United States, operatives of this crooked company are still engaged in subversion in Mexico, in collaboration with the party of the Mexican President!

Until recently, their strategy was openly discussed in the United States. For example, on April 17, 2001, a lecture was presented in Houston as part of a seminar series, with the title, "The Oil Is Ours! Whither Pemex?" a reference to Mexico's national oil company, Petroleos de México. The speaker was Dr. Michelle M. Foss, assistant research professor at the Energy Institute of the Bauer College of Business, at the University of Houston. The institute is funded by Enron, Dynegy, Duke Energy International, and Reliant—the very companies responsible for last year's California electricity crisis—as well as BP Amoco, Shell, and Texaco Global Gas. Foss served as coordinator for the Natural Gas Project, established by former Enron CEO Kenneth Lay.

In her lecture, Foss said, "The search is on for a loophole in the Mexican Constitution that would provide for other companies besides Pemex" to profit from Mexico's oil and gas reserves. The problem, she said, is that "Pemex filters through all of Mexican society. It has to be dealt with." After praising Fox as a "remarkable man . . . who understands business," she added that "it is encouraging that this matter is creeping into the national debate."

The speech given by Rodríguez Pratts last week, which was accurately characterized by Senator Bartlett as a "threat to the existence" of Mexico, represented the next phase of this debate, for which Foss and her financial sponsors have been preparing.

Deregulation Fraud Exposed

In private meetings during our visit, Senator Neal and I reported to Mexican officials, businessmen, and university figures how Enron, et al., had succeeded in their efforts to deregulate the energy sector in the United States. Senator Neal, an expert in this area, who was responsible for halting deregulation in Nevada, explained that the regulation of energy—particularly the regulation of electricity—had been a major feature of President Franklin Roosevelt's anti-Depression program, to rein in Wall Street predators in the 1930s.

One of the most significant of these meetings occurred in a hall in the Chamber of Deputies (the National Congress of

Mexico), in the presence of the national press and at least ten Congressmen. Senator Neal and I presented not only the reasons for the collapse of Enron; but that, far from being an isolated case, it is part of the systemic disintegration of the post-1971 neo-liberal model which has been imposed on the U.S. economy.

"It is this systemic collapse which compels the U.S.-based cartels to seek new sources of loot, as in their campaign for deregulation and privatization in Mexico," I said, in conclusion.

This sparked an intense debate with the PANistas present. PAN Deputy Héctor González Reza expressed his anxiety over these presentations, which devastated the argument for more liberalization, deregulation, etc. At the conclusion of a debate in which he took part, the badly flustered Deputy fled the room, saying he would continue the discussion "via e-mail."

Another highlight of this tour was a public meeting sponsored by the MSIA, attended by approximately 100 officials from leading institutions, which was addressed by Lyndon LaRouche (see report following).

Lyndon H. LaRouche, Jr.

Energy Policy and The Strategic Crisis

U.S. Democratic Party Presidential pre-candidate Lyndon H. LaRouche, Jr. addressed the April 16, seminar in Mexico City sponsored by EIR and the Ibero-American Solidarity Movement (MSIA). The meeting convened on the 20th anniversary of LaRouche's influential document Operation Juárez, which he dedicated to Mexico, while that nation was fighting for its economic survival and independence in 1982. After LaRouche spoke by telephone, Nevada State Sen. and LaRouche campaign spokesman Harley Schlanger, who were visiting in Mexico, also spoke. Here is LaRouche's speech, and the discussion after it.

We have three subjects to consider, in order to put the energy policy issues into focus, particularly as they affect both Mexico, and specifically the relationship of Mexico with the United States.

Now, as you probably have noticed, the United States is presently not capable of delivering an effective policy in many crucial areas. And, the number of areas in which this is the case, has increased. You've noticed, recently, the coup and the counter-coup in Venezuela. This is typical of the confusion in