

LaRouche's Ideas Flood Mexico Once Again

by Marivilia Carrasco

The March 6-9 visit to Mexico of Lyndon LaRouche associate Richard Freeman caught the attention, in various parts of the country, of both the media and various strategic sectors which have been seriously affected by the intensity of the U.S. economic depression. The fact that Freeman's visit took place during the week of the greatest international financial instability of the year, helped to underline Freeman's message about the systemic and global nature of the crisis.

Freeman addressed 770 people at seven different public forums: three in Guadalajara, Jalisco, two in Mexico City, and two in León, Guanajuato. The impact of the forums was amplified through interviews and coverage in newspapers, radio, and television.

In the forums, Freeman presented a picture of the past

three to six months' "decline of the importer of last resort," as part of the general collapse of the U.S. physical economy during the past three decades. His demonstration of how the U.S. economy, far from "constant expansion over the past decade," has suffered severe contraction in the production of physical goods since the 1970s, and is now showing abrupt new declines, in combination with the ongoing collapse of the most inflated speculative bubble in history, moved many to recognize the urgency that Mexico, which today sends 90% of its exports to the United States, must move to the forefront of the international struggle for a New Bretton Woods.

As part of this process, *EIR*'s Dennis Small was invited on Feb. 23 to the Monterrey Technological Institute, where 450 students attended his keynote address on the Monterrey campus. Small scientifically demonstrated how the illusion of "infinite prosperity" of the importer of last resort was crumbling, and how the crisis of the current globalist economic model is systemic in nature. Small's presentation was given extensive coverage by the *Diario de Monterrey-Milenio*, in its Feb. 27 issue.

Ibero-American Solidarity Movement (MSIA) president Marivilia Carrasco was similarly invited on March 5 by the Autonomous University of Colima, to address 500 students in economics, sociology, and law, on the devastating impact on Mexico of the U.S. economic depression, because of the perverse dependence of Mexican exports on the U.S. market. The state television station interviewed Carrasco that same day, and the leading newspaper of the state, *Diario de Colima*, devoted its lead headline on March 12 to coverage of Carrasco's presentation.

This density of activities reflects a new momentum, in which LaRouche's controversial ideas are finding fertile ground among legislative, student, and media layers, labor and business sectors, and political and professional groups. A growing number of Mexicans, both student and adult, are actively participating in public and political events in favor of the alternatives proposed by LaRouche.

Legislation Proposed

The MSIA, which represents LaRouche's proposals for a New Bretton Woods, as the only solution to the world economic crisis undermining the very basis of existence for Mexico, and other nations, is channeling this ferment into a nationwide mobilization. In the federal states of Jalisco, Nuevo León, Guanajuato, Baja California, and Sonora, representatives of the MSIA and other political movements presented themselves at the headquarters of respective state legislatures, to formally introduce a "Bill to Reactivate the National Economy and for Mexico's Parti-



"Estados Unidos, al borde del peor colapso económico"

POR GABRIELA AGUILAR • FOTO: MARÍN SALAS

The daily Milenio Diario reports on Richard Freeman's tour, under the headline, "United States on the Verge of the Worst Economic Collapse."

pation in a World Economic Recovery.” This legislative initiative was introduced to the Permanent Commission of the federal Congress on Aug. 23, 1995, by a national delegation headed by MSIA president Carrasco, and by Manuel Villagómez, president of the National Confederation of Micro and Small Mexican Businesses. The initiative urges the bankruptcy reorganization of national economic institutions, and putting in place a new national bank, a monetary reform, and the development of major infrastructural projects, as well as Mexico’s participation in a world conference to establish a new international monetary and financial agreement.

At the time, individuals from all over Mexico had joined the action by becoming signators to an International Ad Hoc Committee for a New Bretton Woods, to place on the discussion agendas of local legislatures, the urgent measures that needed to be adopted.

Zapatistas and Fox: Two Sides of the Same Coin

The MSIA’s mobilization was reported on March 16 by the newspapers *El Occidental* and *Ocho Columnas* of Jalisco, and *Correo* of Guanajuato. In Baja California, *El Mexicano* published a note on its front page with the headline: “Fox’s Model Is Fascist,” a reference to the neo-liberal, free trade economic plan of Mexican President Vicente Fox. The note also mentioned that the MSIA legislative initiative was introduced simultaneously in numerous state legislatures, in response to a proposal from Fox’s economic cabinet to tax medicines and food with a 15% surcharge, while also raising taxes at the U.S.-Mexican border by 10-15%. The *El Mexicano* article said that “Marcos of the EZLN [Zapatista National Liberation Army] and Fox are two sides of a pincer, by the same oligarchy that wants to force the country to change its general welfare law, which is the third article of the Constitution.”

The prominent Mexico City newspaper *Milenio Diario* published a full-page interview on March 8 with Freeman, with the title: “United States, on the Verge of the Worst Economic Collapse.” That same day, “Cupula Empresarial,” the afternoon news program run by Oscar Mario Beteta for Radio Formula, interviewed Freeman for half an hour, as an “adviser for former Presidential candidate Lyndon H. LaRouche.” The renowned moderator anxiously asked if things could get much worse in the second half of the year, which enabled Freeman to present hard evidence that what is going on with the U.S. economy is the most serious economic depression of the past 200 years.

On March 12, the national newspaper *El Financiero* devoted one-third of a page to an article entitled “Freeman: Power of Financial Markets Threatens,” with the subtitle: “U.S. could be on the verge of bankruptcy.”

In Guadalajara, Mexico’s second most important city, the newspaper *Ocho Columnas* covered the story with the headline, “There Is Deceleration. U.S. Economy at Its Most Criti-

‘U.S. on Verge of Worst Economic Collapse’

Below is the text of the article that appeared in the March 8 Mexico City daily Milenio Diario. It was identified as an “Interview with Richard Freeman, analyst for Executive Intelligence Review,” and headlined, “United States, on the Verge of the Worst Economic Collapse”:

“The United States is on the verge of the worst economic and financial collapse of the past 200 years, as the result of a systemic crisis that began to surface three decades ago, and which is no longer sustainable,” declared Richard Freeman, analyst for *Executive Intelligence Review* and adviser to Democrat Lyndon H. LaRouche (former U.S. Presidential candidate, who forecast the global crisis of 1994). Freeman argues that, although the chairman of the Federal Reserve, Alan Greenspan, insists on stating that the United States is experiencing a “small deceleration,” the reality is that the most powerful economy in the world has begun to fall into a “bottomless spiral.”

The economist and philosopher says that the U.S. crisis will not only be devastating for Mexico, but also for all countries which currently export products to America, including the Asian powers.

The debacle that Freeman forecasts will have serious effects in Mexico, a country which places 90% of its exports with the United States, and where a domino effect will occur, implying the shutdown of *maquiladoras*, and therefore, of their providers and clients, as well as job losses, among the other damages that include the possibility of another global banking and financial crisis which, unlike that which occurred in 1929-32, will not be cyclical, but systemic.

cal Point. Shows Strong Contraction.” The newspaper *Mural* titled its coverage: “Warn of Imbalance in Sales Abroad.”

In León, Guanajuato, where President Fox was the Governor, the newspaper *AM* headlined its story, “Economic Decline in U.S. Spreads to Mexico,” while *El Sol de León* devoted an eight-column headline in its March 10 edition: “U.S. Recession Will Slam Mexico,” with the subtitle: “National production the most harmed. Maquiladora layoffs increase: Freeman.” Also in León, a radio station covering three states interviewed Freeman for half an hour, and rebroadcast the interview three days later, while a local television station reported on Freeman’s visit during its news broadcast.

A Military Rejects Globalization

Papua New Guinea's army has rebelled against World Bank austerity and the erosion of national sovereignty.

A two-week military rebellion in the Pacific nation of Papua New Guinea ended uneasily on March 26, when soldiers handed back weapons they had seized from armories in the nation's capital of Port Moresby, 12 days before. The rebellion was sparked by the March 8 announcement by P.N.G. Prime Minister, and IMF puppet, Sir Mekere Morauta, of a military reform program. It would slash P.N.G.'s Defense Force numbers from 4,150 (already tiny for a nation of 5 million) to just 1,900; disband the engineering battalion; sell landing craft and the force's major barracks; and tender out (privatize) base support, repairs, and maintenance.

The "reforms" had been drawn up last December, by an Eminent Persons Group (EPG) deployed to P.N.G. by the Secretary General of the Commonwealth, former New Zealand Foreign Minister Don McKinnon. The EPG was dominated by two "Colonel Blimps," one from Australia and one from New Zealand, with a representative each from P.N.G. and Barbados thrown in for color. Top P.N.G. military brass were unaware of the slash-and-burn "reform," until they read about it in newspaper leaks on March 7.

Although some top brass were whipped into line behind the plan, their troops had a different idea. On March 15 they seized weapons from the Murray Barracks, and precipitated a stand-off. By March 19, the Morauta government scrapped the EPG reforms, and by March 26 declared an amnesty for all soldiers involved, and agreed to consider a list of demands, including the "expulsion of Australian and New Zealand military advisers."

Announcing a revision of the reforms, Sir Mekere pledged, "The proposed consultations will be completely homegrown. There will be no outside influences whatsoever."

Underlying the dramatic events is a blatant attack on P.N.G. sovereignty, to grab control of its immense raw materials wealth, which was first exposed in an *EIR* report from Aug. 22, 1997, "Queen Elizabeth Runs a Coup: The Case of Papua New Guinea," which was widely circulated in P.N.G. Then, the target of the grab was P.N.G. Prime Minister Sir Julius Chan, who was ousted amid a "corruption" scandal cooked up with the assistance of the Prince Philip-founded Transparency International (a de facto arm of the World Bank). Chan had kicked the World Bank out in late 1996, charging that it had "destroyed many countries." Chan's demise opened P.N.G. up to intensified looting by the Queen's raw materials cartel, led by Rio Tinto, the owner of several huge mines in P.N.G.

Four years later, there is widespread opposition to that raw materials grab, and to the related World Bank dictates, among P.N.G.'s political layers, and especially in its military. In fact, according to the March 19 *Post-Courier*, the rebel soldiers insisted that the issue driving their uprising wasn't that they personally were being made redundant, but "the government being influenced by the World Bank." An unnamed officer said the soldiers felt that the unions had failed to stop the influences of the World Bank. "The only group that can stop them is the Defense Force," he said. "If they reduce the number to 1,900, they can

push any issue they want. The soldiers are concerned about this and they want this government to go at all costs. . . . The Defense Force was set up by the Constitution, not an Act of Parliament. Now, if they want to destroy the Defense Force, they might as well dump the Constitution in some rubbish bin. The government must have some hidden motive in these issues. . . . Why are they starting with the Defense Force?"

Rebel spokesman Capt. Michael Percy Marai, in the March 20 *Post-Courier*, charged that one "hidden motive," was a plot to grab P.N.G.'s raw materials assets: "The people's rights, it seems, have been denied. . . . The right and sovereignty of the independent state of P.N.G. has also been denied. . . . *Let me warn the government that since our country is very rich in natural resources, there are outside forces who want to see how we progress.* They are very interested in our affairs. In every avenue, they will try their best to push in to interfere in our internal problems as much as possible. Let's thank the good Lord that He has placed the resources in our country *so that they could be used for the common good and not for selfish gains*" (emphasis added).

The same day, March 20, Australian Foreign Minister Alexander Downer, in London at the Commonwealth Ministerial Action group meeting which plotted actions against Zimbabwe's nationalist land reforms, threatened P.N.G. that "neither Australia nor the international community will tolerate action" against the IMF-World Bank agenda.

On March 25, P.N.G.'s Trade Union Congress endorsed the rebellion, urging the army to "lead us in the fight against privatization." "The soldiers' struggle here is part of the people's global fight against the global government.