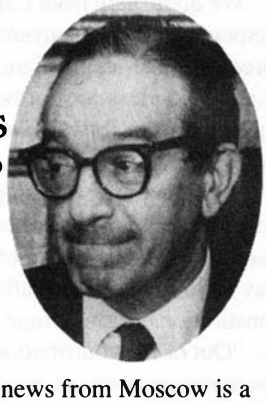
structure, either as an economic activity of government, or of private utilities regulated by the governments of either the nation or the states; (b) the establishment of national banking to ensure that adequate supplies of low-cost credit are available through the banking system to foster useful investments in agriculture and industry; (c) a system of regulation of foreign and interstate commerce, to protect the useful enterprises of private enterpreneurs and to foster orderly commerce among the states.

"3) For all other enterprise, private entrepreneurs in agriculture, industry, and trade are encouraged to promote economic growth and technological progress as freely as possible."

This Hamiltonian system has been elaborated by LaRouche in both financial and other programmatic form for the U.S. government. It is a dirigist system that alone will reverse the real physical deficit in the U.S. economy, a deficit that is about to get worse than simply bridge collapses, and airplanes falling out of the and will lead to absolute shortages of the most basic foodstuffs.

Unfortunately for the world, LaRouche is the only individual who has prepared himself to not only develop these plans, but to be able to implement them in a time of unprecedented turmoil and crisis. No matter what the U.S. government says, the only real indication of a policy shift away from monetarist insanity, will be the release of LaRouche from prison.

Flying saucers near Moscow?



Lyndon LaRouche issued the following statement on Oct. 10:

On Tuesday, Oct. 10, the big news from Moscow is a TASS report citing the landing of a flying saucer near Voronezh, a rather famous place near Moscow. TASS admitted that the sighting was by children. However, I find the report of TASS rather credible. On the basis of my experience with what the Federal Reserve Board has done under Director Alan Greenspan, and with the knowledge that Greenspan has just arrived in Moscow, I wouldn't be surprised, with the advice he has given to the Soviet economy, that the Soviet population *imagines* that flying saucers have landed.

Mexican President is all show, no action

by Carlos Cota Meza

With the euphoria ended and the veil of official propaganda worn thin, the Oct. 2-6 visit of Mexican President Carlos Salinas de Gortari to the United States has turned out to be a poorly disguised attempt by the Mexican head of state to garner from north of the border the support that he has been unable to command at home. President Salinas returned to Mexico with little to show in the way of concrete economic agreements, but with the promise of future "integration" (read: annexation) of the Mexican economy into a North American Common Market. He arrived in Mexico City with the applause of a foreign congress ringing in his ears, but must face the real music when he delivers his first State of the Union address to his own national congress on Nov. 1.

In opening his address to the U.S. Congress, Salinas declared, "I come before you . . . to inaugurate an era of new friendship." This reference to a new era of bilateral relations, repeatedly inserted into all of Salinas's U.S. speeches, in no way represents a change in the strategy or appetites of would-be annexationists on both sides of the border. Rather, it expressed Salinas's fervent hope that nationalist opposition to such a strategy has finally been eliminated from the ruling Institutional Revolutionary Party (PRI).

It was during the six-year term of José López Portillo (1976-82) that the United States under Jimmy Carter's presidency openly insisted that "the United States will not permit the creation of a Japan on its southern border." This was explicitly directed against government efforts at the time to invest burgeoning oil revenues in a total renewal of Mexico's industrial plant and infrastructure. The presidency of Miguel de la Madrid, and now of Salinas, has been dedicated to eradicating those nationalist currents, and stopping Mexican development cold.

Now, ironically, voices are being heard inside the United States insisting that "Mexico's economic advance" be permitted. Susan Kaufman Purcell, vice-president for Latin American affairs of the Americas Society, evaluated Salinas's trip with the observation that "a poor and weak Mexico on its southern border is not in the interest of the United States." She went on, however, to clarify what a "prosperous" Mexico means to the bankers she speaks for: "With the possible growth of regional commercial blocs in Europe and in Southern and Southeast Asia over the coming years, the capacity of the United States to broaden its trade with its two North American neighbors becomes more desirable."

Henry Kissinger said the same thing during the Salinas tour when, speaking as president of his firm, Kissinger Associates, which is expanding its operations inside Mexico: "The United States is obliged to help Mexico . . . [given that] in a period of 10 to 15 years a common market between Mexico and the United States could be formalized."

More opportunities—for looting

Of course, this in no way means that a Japan south of the border will now be permitted. What it does mean is that only the economic policies which the United States approves will be applied in Mexico. This is the view that permeated all the U.S. protocol surrounding Salinas's reception on the White House lawn, at the Capitol, at David Rockefeller's Americas Society, at Brown University, and so on.

This was also the rhetoric of the Mexican head of state himself, who magnified the "achievements," and ignored the dramatic social cost, of his economic policies applied during the past seven years. Salinas presented the "new face" of Mexico to the foreign investors he was wooing: new rules to eliminate bureaucratic obstacles, to broaden the field of action of the foreign investor, and to provide that investor with legal security; a tax system compatible with those of Mexico's trading partners, privatization of broad sectors of the economy; complete deregulation of major economic sectors, etc.—a veritable investors' paradise.

And what of the impact of Salinas's "fiscal discipline" so applauded in the United States? According to Carlos Tello Macías, president of the advisory council of the president's National Solidarity Program, supposedly created to combat extreme poverty, "During those years (1982-89), the per capita GNP fell 14%. . . . Just as the population of the country rose from 71.4 to 81.2 million, so, too, did the poor, going from 32.1 to 41.3 million. In this brief period, nine out of every ten Mexicans to enter the population joined the ranks of the poor. . . . At the present time, approximately one-half of the population is unable to meet its basic needs, and some 17 million Mexicans live under conditions of extreme poverty."

A commercial failure

Salinas de Gortari insisted that his visit be confined to formalizing agreements on "economic matters," and from that standpoint, his trip was a dismal failure. Six of seven anticipated agreements were "signed," it is true, but they represent much ado about nothing. Three of these deal with protection or improvement of the environment: treatment of residual waters in the Tijauana-San Diego area, technical assistance to combat environmental deterioration along the common border, and technical and financial assistance to "improve the air" of the Federal District where Mexico City is located.

Another agreement was to encourage tourism in both directions and a compromise was struck to review Mexico's proposed textile treaty in 1990. The only concrete aspect to emerge as part of a General Agreement revising the 1987 bilateral trade and investment accord, was an extension of the pre-existing steel export treaty, about to expire. It is well known, of course, that more steel crosses the border as contraband than as legal exports. The only failure the Mexican officials themselves were willing to acknowledge was the impossibility of signing a bilateral agreement on agriculture—representing the bulk of trade between the two countries—because of "certain inconclusive aspects," which were never defined.

The truth of the matter is that the United States refused to give any serious trade concessions to Mexico because Mexico is its only trade partner with a favorable balance of trade. During the term of Miguel de la Madrid (1982-88), an export boom was produced by means of a peso devaluation, which took food out of the mouths of Mexicans, and by drastically reducing imports. The "boom" was accomplished by selling beer, plastics and synthetic materials, cement, glass and crystal, iron and manufactured steel, and word processors. Other products, such as seafood, mineral products, or coffee are ruled by the "laws of the marketplace," with the aggravating factor that two of those products have been eliminated from the agenda by a United States which, in the one case, wants to fish in Mexican waters, and in the other, is refusing to review the price of coffee even to help Colombia in its war against the drug cartels. Mexico can export nothing more, until it increases its petroleum sales.

No concessions were to be wrested from the United States on imports, either. Because of Mexico's dependency on U.S. imports—largely food and consumer products—the United States has its neighbor "over the barrel." As one high-level official of Mexico's Agriculture Ministry was heard to comment: "Soon we will have to ask Moscow permission to buy food from the United States."

The new General Agreement establishes a mandate for holding future negotiations intended to free up bilateral trade. Coming under that category are customs tariffs, non-tariff barriers, foreign investment, patent rights, technology, services, trade restrictions, and distribution problems—all matters relevant to an "integration" of economies.

The rest was pure show, to attest to the support which the Salinas government has from George Bush. There was, of course, time allowed for Salinas's token "protest" against U.S. protectionism. It seems the U.S. government has not permitted the sale of brooms made by Mexican Indians on the U.S. market. Left unsaid was the fact that these brooms have no market in Mexico, either, except as an occasional souvenir for the unsuspecting tourist.