

'Life after the death of the IMF' seminar held in Guadalajara

by Valerie Rush

Nearly 200 leaders of political, labor, and producer organizations from Mexico met on June 16-17 in Guadalajara, Jalisco to map out a strategy for reversing the disintegration of the Mexican economy along the lines proposed by U.S. economist and statesman Lyndon H. LaRouche.

The conference, convened by the Permanent Forum of Rural Producers (FPPR) and the Ibero-American Solidarity Movement (MSIA), was entitled "Yes, There Is Life After the Death of the International Monetary Fund." It was the first of a series of such development conferences scheduled across Mexico and other countries of Ibero-America. The conferences are designed to put together a movement of workers and producers prepared to speak the truth about the death of the international financial system, its free-trade dogmas, and its genocidal institutions, such as the International Monetary Fund (IMF), and to counterpose a Hamiltonian reorganization of current national and international financial systems in order to revive national economic development.

The Guadalajara conference, held in the auditorium of the Jalisco Industrialists Club, was attended by delegates from Mexico City, and the states of Jalisco, Sonora, Michoacán, Chihuahua, Aguascalientes, Nuevo León, and the state of Mexico. The governor of Jalisco, an important agricultural and industrial state which carries significant political weight in the country, sent his personal representative to sit at the dais on the opening night of the conference. Also attending were several municipal officials, a federal deputy from the opposition National Action Party, and representatives of numerous other political organizations, including the PRI ruling party, a member of the state Executive Committee of the Mexican Labor Federation (CTM), a leader of the sugar workers union, the National Coordinator of Bank Users, the National Catholic Party, and El Barzón, another farmers' protest movement.

In a press conference preceding the Guadalajara event, MSIA leader Carlos Cota declared that their purpose was neither to support nor attack the government of Mexican President Ernesto Zedillo, but rather to pull together a political force which can change current government policy, toward one which can guarantee development. The conference occurs at a moment of crisis in the Mexican economy, where billions of borrowed dollars are being poured into a so-called

stabilization plan for the Mexican banking system, which, however, cannot be stabilized as long as the root causes of the endemic instability—speculation and usury—are not eliminated. The more these borrowed funds are poured into the banking "sinkhole," the more the nation's productive apparatus—its agricultural and industrial sectors—are being looted to pay the debt, and the more the debt becomes unpayable.

This "Mexican" crisis is being played out across Ibero-America, today most notably in Argentina and Brazil, making the example set by the Guadalajara conference a model for successor conferences across the entire continent—and indeed for the world. It comes as no surprise, for example, that a national debate over the question of debt moratorium is now dominating the pages of Argentina's newspapers (see article, p. 11).

Identifying the cancer

José Ramírez of the FPPR opened the event by introducing the governor's representative and reading greetings from farmers in the United States and from the Venezuelan Labor Federation, among others. Also read was a message of greetings from MSIA chairman in Mexico Marivilia Carrasco, who explained that she could not be there in person because she was on a related mission in Europe, accompanying two Mexican congressmen to expose what is behind "Commander" Samuel Ruiz and the Zapatista insurgency (see article, p. 36). Mexico, said Carrasco, is being destroyed between the pincers of the IMF and the ethnic separatist uprising in Chiapas which, she stressed, are one and the same operation.

The first speaker was *EIR*'s Ibero-America editor Dennis Small, who compared reactions to the current crisis of the international monetary system to those of a patient with cancer. LaRouche has identified three distinct outlooks toward this crisis, said Small. There are those who simply deny the diagnosis, who declare they are just nervous and need another cigarette. These are the ones who would just expand the speculative bubble. Then there are those who admit they are sick, but insist they only have a cold and just need to take an aspirin. These, said Small, are like some farmers in Sonora who demand only a fair price for their wheat, thank you, "and none of those extremist proposals" from the LaRouche movement.

Then, there are those—like the FPPR—who recognize that they are fighting a cancer, and who demand not only its surgical removal but measures to strengthen the body to resist it. Small hit especially hard at those who have refused to listen. In November 1993, he reminded the audience, he had first outlined *EIR*'s calculations of Mexico's real foreign debt—which were dramatically larger than the official figures—to a meeting of the Sonora FPPR. Today, everyone admits that his figures were correct, but, at the time, a huge campaign was launched to discredit LaRouche and his influence in the farm sector. Small pointed out that it was the U.S. embassy, in particular, which fostered the slanders that LaRouche was just a “foreigner” and a “criminal” who shouldn't be listened to. You can choose not to listen now and pay the price, said Small, or you can work for LaRouche's exoneration and for the implementation of his full program while there is yet time.

Many around the world are listening closely to LaRouche. The influential economist has just returned to the United States from trips to Russia, Poland, Ukraine, and Germany where he discussed his analysis and proposals with many who, like those at the Guadalajara event, agree that IMF policies are a disaster for their national economies.

Small demonstrated how the latest “success story,” that of Chile, is but one more example of looting a national economy through usury. He presented his latest calculations, which show that since 1973, while Chile's index of production of producers goods rose by 35%, that of consumption goods dropped by 5% and that of infrastructure collapsed by 26%. But over that same time period, Chile's foreign debt soared by an astonishing 630%!

Mexican banks hooked on derivatives

The MSIA's Carlos Cota then presented a closeup of the Mexican banking crisis, showing how Mexico's banks are not insolvent because of arrears by producers such as those in the audience, but because the banks are themselves indebted to the foreign derivatives market. You did not cause the crisis, Cota emphasized; the international monetary system did.

The Mexican government has already paid out nearly \$7 billion to bail out the debt-bloated banks, and is planning to pour in another \$3.3 billion, Cota said. Ten billion dollars is just what the government received for privatizing those banks just a few years ago! The government says that accepting a moratorium on farm debt would be “inflationary,” Cota pointed out, and yet it has already gone into debt for many billions to bail out the banks. Where is the morality in a policy that will allow an entire farm sector to go bankrupt that is needed to feed the nation's population, and yet will put its own oil wealth in hock to rescue banks riddled with the cancer of usury?

Also addressing the Guadalajara event was Jaime Miranda Peláez, a prominent farmer from Sonora who has been

a leader of the FPPR since its inception. Miranda gave a presentation on the history of the organization, and explained why it and the Ibero-American Solidarity Movement are working together to form a “pole of attraction” for workers, producers, and businessmen around the country who are ready to fight for national reform, and not just local and partial solutions. We are facing a “national emergency,” said Miranda, and only those with the courage to “speak the truth” will be able to lead the nation to recovery. It matters not if the government has rejected our proposals in the past, or even rejects them now, he said. If we are not afraid to tell the truth and present our programmatic solutions to the crisis, sooner or later the government will have no choice but to adopt them (see text, p. 9).

Many questions were raised about where to go from here. The decision was made to immediately convoke a second national conference, this one in Mexico City, on July 21-22. In answer to the question on how the movement's proposals are viewed outside of Mexico, *EIR*'s Small urged that, in order to stop the IMF, you have to get the world involved. That, he said, requires the formation of an ecumenical movement similar to the one that emerged against the United Nation's Cairo conference on population last year.

At the conclusion of the two-day conference, representatives of many of the organizations in attendance signed a manifesto which blamed the bankruptcy of the Mexican banking system, and the insolvency of the nation's productive sectors, on the chain-reaction collapse of the world monetary system due to IMF policies of usury. It called for trying the IMF for crimes against humanity, for forgiveness of the Ibero-American debt as proposed by such moral leaders as Pope John Paul II, and for continent-wide integration “to put the economy through bankruptcy reorganization, and establish a new international economic and financial framework which will allow for economic recovery, as well as development of trade and cooperation among nations on a stable and fair basis.”

Documentation

‘Try the IMF for crimes against humanity!’

This manifesto was addressed “to the People of Mexico; to the President of the Republic; to the National Congress; to the Judiciary.”

As signators of this manifesto and participants in the First National Forum: “There is Life After the Death of the IMF,” held in Guadalajara, Jalisco on June 16 and 17, 1995, we

affirm that the profound crisis afflicting [Mexico's] national economy, expressed in the bankruptcy of its credit system and the absolute insolvency of productive and consumer sectors, is a product of the bankruptcy of the international financial system, caused by the usurious policies of the International Monetary Fund (IMF).

This financial and monetary system threatens to destroy nation-states, the family as the moral and physical institution of human reproduction, and human dignity.

If justice is to be served, the foreign debt of Mexico and of all of Ibero-America, must be forgiven, as proposed by prominent moral leaders of humanity, His Holiness John Paul II in particular.

We are witnessing the collapse of the dogmas of economic liberalism, based on the gnostic theories of Adam Smith. These have been brilliantly refuted by economist Lyndon H. LaRouche, Jr., who proposes a third way of global economic recovery which is neither liberal nor statist.

The eradication of the "structures of sin" based on the immoral theory which considers man a beast is therefore imperative for the survival of nations. It is imperative to establish a new world order based on the principle that man was created in the image and likeness of God, and is the repository of inalienable rights coherent with that condition of being different and superior to the beasts.

This principle above all asserts man's right to develop his creative abilities in science, technology, classical art, and culture, the true origin of the wealth of nations, sustainer of a state of law in accordance with Natural Law and a sacred objective of every truly democratic system.

This is not the time to lie. The liberal model created a gigantic and cancerous speculative bubble which grows at the expense of the assets of productive enterprises and the physical economy in general. The destruction of agricultural activities in particular, with the resulting loss in productive areas, is one of the primary causes of the planet's ecological damage and climatic chaos, as well as of the four horsemen of the Apocalypse—hunger, plague, war, and usury—who have now reached the remotest corners of the globe, leaving genocide in their wake.

Although the entire human race is threatened, the first victims are always the weakest sectors, as is the case with Mexico's 12 Indian zones, where hellish levels of starvation already exist.

We energetically condemn any action which is based on the jacobin manipulation of popular rage—a manipulation

which plays into the hands of those degenerate interests of London and Wall Street's financial oligarchy. This oligarchy seeks to dismantle the nation-state through separatism, autonomism or radical federalism, as seen in the case of the Zapatista National Liberation Army (EZLN) and its allies.

Only by breaking with economic liberalism can we reduce interest rates, apply a tariff policy which protects our productive plant, resolve the problem of debt arrears, obtain just prices for our products, maintain growing public investment, and relieve debtors' generalized pain.

The Bank of Mexico must be subordinate to the federal government, annulling the law which transformed it into a mere branch of the U.S. Federal Reserve Bank. A healthy financial policy is only possible in a mercantilist, dirigist economy in which the state's sovereign ability to generate credit can develop basic infrastructure, industry, and agriculture.

If justice is to be served, the foreign debt of Mexico and of all of Ibero-America, must be forgiven, as proposed by prominent moral leaders of humanity, His Holiness John Paul II in particular. This is not just because the debt is unpayable, but because it has already been paid.

In 1980, Ibero-America owed \$257 billion. By 1993, \$372 billion had already been paid, in interest alone; yet today, it still owes more than \$513 billion!

In 1980, Mexico owed \$57 billion. By 1993, it had already paid \$118 billion (double that amount) in interest alone; and now, it owes \$119 billion, not including the private debt, bringing the total to \$213 billion!

Mexico must recognize the failure of the current world monetary system. At the same time, the Mexican government must, together with other Ibero-American nations, promote regional integration to put the economy through bankruptcy reorganization, and establish a new international economic and financial framework which will allow for economic recovery, as well as development of trade and cooperation among nations on a stable and fair basis.

This new order must be based on a harmony of interests within a community of nations, sustained by the ecumenical principle of respect for all religions and philosophies founded on the principle that man is created in the image and likeness of God.

In this ecumenical spirit, we call on patriots of all nations to join efforts to demand a political trial of the International Monetary Fund for crimes against humanity, on the basis of that principle established at the Nuremberg Trials that they "knew or should have known" that their policies would lead to genocide.

Signed: the Permanent Forum of Rural Producers, the Cajeme Agricultural Credit Union, National Depositors Coordinating Committee (including 52 organizations), National Confederation of Small Industry, National Sugarworkers Union (Tala, Jalisco), National Citizen Council, National Catholic Party, Western Journalists Union, Ibero-American Solidarity Movement

Free us from insanity of 'free trade'

by Jaime Miranda Peláez

This speech was given by Miranda Peláez, leader of the Permanent Forum of Rural Producers, at a conference in Guadalajara, Jalisco on June 16. Subheads have been added.

We participated in convening this National Forum together with the Ibero-American Solidarity Movement (MSIA) because we are fully convinced that it is a matter of national security that the productive sectors mobilize with sufficient determination to create a correlation of forces that will enable the Executive branch to take courageous and bold decisions in breaking with the austerity conditions imposed by the International Monetary Fund and foreign creditors.

I would like to proceed from this premise in order to try to define—in accordance with our experience—what the extraordinary responsibilities are that face the productive sectors at this moment of crisis, a crisis which, as has been demonstrated in the previous speeches, is neither Mexican, nor conjunctural, but a structural crisis which is calling into question the very existence of the international financial system.

The reality which is being documented for us today poses certain questions very clearly:

Will our nation, and nations in general, survive the imminent collapse of the international financial system?

Will our government react in time by taking measures of protection to guarantee the existence of our country as a sovereign nation?

I believe that the responsibility of the productive sectors must be located in our response to these questions. I also believe that our brief but intense experience in the leadership of the Permanent Forum of Rural Producers can provide us with certain means to conceptualize the serious responsibility we must currently assume.

The Permanent Forum of Rural Producers (FPPR) is a group that was started in the summer of 1992, when a group of agricultural producers and analysts studying rural problems in the Yaqui Valley—in southern Sonora state—held a series of meetings intended to formulate a more precise understanding of the national agricultural picture, with the help of members of the Ibero-American Solidarity Move-

ment. Those meetings yielded a document which asserted that all of our activities are depressed and headed toward a growth in debt and arrears. It was also concluded that agricultural debt did not allow for a partial solution, but that what was needed were profound solutions that would positively and completely change all the variables that have led to the decapitalization and indebtedness of the agricultural sector.

This in turn led us, in the same study, to question the government's entire economic policy and to propose a change in government economic strategy, which is based on the absurd dogma of so-called "comparative advantages," which presumes that it is cheaper to import grain and food oils than to produce them in our own country.

On this basis, we prepared a series of proposals stemming from the financial problem that this policy generated, and we documented the illegitimate growth of the agricultural debt, establishing the need for a moratorium on debt and arrears as a bridge toward a financial reorganization that would place primary importance on the reactivation of the countryside and of productive plant in general.

With this analysis and series of proposals, we have, since 1992, been participating in a series of meetings in various states of the republic. We have also encouraged mobilizations by producers. In August 1993, we held a tractorcade from Sonora's Ciudad Obregón to Guaymas port (Sonora), travelling some 120 kilometers in order to force an interview with then-President Carlos Salinas de Gortari. We secured that interview, and in that private meeting, we read him a document in which we questioned the whole liberal economic model and called on the President not to sign the North American Free Trade Agreement (NAFTA).

Today we are involved in a new wave of mobilizations, and we currently have a picket line, with all our agricultural equipment, surrounding the regional office of the Finance Ministry of Ciudad Obregón.

Government stonewalling

But what I want to stress with this brief history is that during all of these meetings and discussions that we have held with agencies of the agricultural sector and also with the business sector in general, we have met with a persistent refusal to question the economic model and economic policy of the government.

This was the problem we faced in late 1993, when we participated in the national meeting of producers called by El Barzón, here in Guadalajara. At that meeting, the FPPR's proposals were supported by the producers, but the El Barzón leadership refused to propose a debt moratorium or to question the government's overall economic policy, using the interesting argument that the role of the movement was only to urge the government to come up with solutions, but not to propose what needed to be done.

I am telling you this particular story only because it is

illustrative of the kind of problem we face in defending which way our movement has to go.

You should all remember that since 1982, we were subjected to intense brainwashing to convince us that the cause of all our ills was the existence of the State; through this brainwashing we were made to accept an economic model which defined the existence of the State as a structural evil that had to be dismantled, thereby criminally stripping our own national economy of any protection. All this was done to the applause of the majority of Mexicans. Hurray, we shouted, finally we will get rid of this corrupt government! Hurray for the "moral renewal" of Miguel de la Madrid! Hurray for Salinas de Gortari who jailed La Quina [the falsely imprisoned former petroleum workers leader Joaquín Hernández Galicia]!

A structural evil

Already in 1992, everything began to decay. But we spoke with the cattlemen and told them: "NAFTA and free trade are good, but not for cattlemen, only for industrialists," and the industrialists said, "Free trade is good, but not for us, only for cattlemen and grain producers." And the grain producers praised free trade, but also said that indiscriminate imports did not favor them, etc. So if each of us individually was being destroyed by free trade, what was to prevent our concluding that free trade is a structural evil that was destroying the entire national economy?

And this is how we got to the crux of the movement we were creating, because what is happening now is that our persistence and consistency in proving that free trade is a structural evil, has relieved the mental state of certain individuals who held viewpoints that were at odds with each other: namely, that free trade is bad for me, but good for everyone else. This situation could not continue, unless the person were to suffer a mental breakdown. So, we are at the point at which we can spark a genuine revolution, in which the productive sectors and the population in general can abandon an intrinsically destructive idea and, for their own mental health, can turn to proposing and trying out solutions that have nothing to do with the liberal economic prescriptions.

This should be our principal function in organizing the productive sectors. We must approach the producer, and the businessman, and provoke a confrontation within their own minds over these two opposing perceptions of the problem, telling them, for example, "It is not Salinas de Gortari who has destroyed you; what has destroyed you is that you think just like Salinas de Gortari."

With this in mind, our organizing perspective should not be the absurd reasoning that "one must propose to the government what the government is prepared to give us," because we will be paving the road to generalized disaster with all of the tiny little supposed gains that have been spun off from current economic policy.

Some people often ask us: "Well, it is true that you have

been making good and just proposals, and have been organizing mobilizations and so forth, but what will you achieve if the government doesn't pay any attention?"

Well, it is certainly true that our achievement has not been strictly material, but our strength and our moral authority have been growing to the extent that the government has refused to pay attention. Because it is growing increasingly clear that the government's refusal to heed our proposals is the cause of the national economy's accelerated deterioration, such that our apparent defeats will turn into the fount of our greatest victory.

Today, we can see in this new wave of demonstrations the formation of a movement of producers and businessmen who are convinced that it is imperative to save the nation's productive plant from the irremediable financial collapse toward which we are headed.

Now we have the demands of the cattlemen, who, in their latest national convention, declared the agricultural debt unpayable, and said that the reactivation of the countryside would require eliminating this financial burden in addition to making substantial reforms of the central bank, implementing a credit policy subordinate to the needs of the national productive apparatus.

We also have the rejection by the producers of Sonora and Sinaloa of the bandaids the Finance Ministry is proposing to use to deal with the impact of the scandalous increase in interest rates. We also have the statement of the presidency of the Senate commission on credit institutions, which asserts that agricultural debt arrears are unpayable, and which proposes a reduction in the debt and a lowering of interest rates.

What we are now witnessing is a general agreement with the FPPR's August 1993 proposals.

So, the source of our strength lies neither in the number of our actions nor in their size, but in the moral and political determination to speak the truth, even if we must face rejection from the government and from the leaders of the business organizations.

Indisputably, the FPPR and the MSIA represent a pole of attraction in the face of the irremediable failure of the current economic policy. I want to stress that we must not think or act from the standpoint of waiting for the government to find the courage to take drastic measures; what is important now is to create the structure within the productive sectors which will responsibly take up discussion of the solutions we propose. Even if the government lacks the courage to act on these proposed changes, we should be prepared with our measures and our programs for the moment the government finds itself forced to act.

Our immediate responsibility is to intensify our role as a pole of attraction, based on the only successful principle: telling the truth.

I want to conclude these modest comments by citing the Gospel, which says: "The truth shall make ye free," and "Be not afraid."