

come because of the euro.”

The Maastricht Treaty explicitly mandates that the new European Central Bank be absolutely free from any and all political interference from elected governments. This central bankers' tyranny now will increasingly haunt efforts of European banks and financial groups as well as governments, to establish the euro as a genuine reserve currency, and to make Euroland a magnet for U.S. and global capital flows. Only if Euroland can draw in hundreds of billions in capital from around the world, as the European Central Bank and leading Euroland banks, such as Deutsche Bank or *Crédit Lyonnais*, see it, can it remotely hope to weather the coming demographic storms, even assuming, for the sake of argument, that the global financial architecture has not already collapsed.

“This is why the European Central Bank acted in November to raise Euroland interest rates by a hefty 0.5%,” said Lewis. “Significantly, however, the response of financial markets was to leave the euro.” European Central Bank president Wim Duisenberg has blamed the Schröder government's rescue of a major construction firm, *Holzmann AG*, for the weakness of the euro in late December. This gives an indication of how frantic the European Central Bank is becoming about the euro's weakness.

What neither Duisenberg nor other Euroland policymakers care to admit, is that until July 2002, they have the tricky job of managing a nonexistent currency. Fearing the worst, EU governments agreed to phase in the new currency. On Jan. 1, 1999, the euro existed only as a bookkeeping unit linking fixed parities of the 11 individual Euroland currencies. No one can go to their bank and withdraw 100 euros to pay his or her bills. No one can use euros to buy stocks or bonds. The euro is still the sum of the national currencies tied to it, a “virtual currency,” as Lewis terms it. If a real crisis of confidence sets in before the euro actually exists with bills and notes in circulation in 2002, the European Central Bank will be all but powerless to do anything.

The former governor of the Danish National Bank, Dr. Erik Hoffmeyer, told this author in a recent interview, “The job of the European Central Bank is going to be a very difficult one. Jacques Delors told me that a combined political and economic union was his original plan. As it is, we have no political union, but a monetary union. Always before in history, a monetary union has followed after there existed a political union. This is why, if we have fair weather, the euro can exist. But if not . . .”

The obsession of European governments and financial elites with their euro project is credited as a major reason, despite the ravages of global economic and financial shocks over the past 30 months since the global financial crisis broke out in Asia, that the proposals of President Clinton early in 1999 for drastic reform of the international monetary order fell on deaf ears. Whether true or not, it looks at year-end that the euro could go down as one of the most colossal political and economic disasters of the 20th century.

## How to create more than a million jobs a year in Mexico

by Carlos Cota Meza

It is now evident that one must add the charge of intellectual bankruptcy to the economic, financial, and political bankruptcy of the Ernesto Zedillo government in Mexico. This kind of bankruptcy also extends to the newly emerging “political majorities” within the Party of the Democratic Revolution (PRD) and the National Action Party (PAN). The fundamental question, so totally absent from all debate today, is the global financial crisis, which is already perhaps more severe even than that of 1929-31, and which is no longer a question of forecasting, but of reality, as U.S. economist Lyndon LaRouche has demonstrated.

Regardless of what these new political “majorities” say about the reality of the international financial crisis (and their approach to it is truly lunatic), a new determining element for dealing with it has been added: the Eurasian Land-Bridge.

This immense project, already under construction, both politically and physically, is precisely the kind of major infrastructure program that is needed to underpin the proposal by Lyndon LaRouche for a “New Bretton Woods” international financial system. Such a system would immediately reestablish the best aspects of the financial policies that were applied following World War II: stable parities, protectionist trade and tariff agreements, and encouragement of scientific and technological progress. This new system would permanently bury the entire International Monetary Fund system.

If Mexico is to participate in this new international economic order, and it must do so if it wants to survive, it will do so through construction of its own development projects.

What we present below is a reelaboration of various infrastructure development projects for the country, which were originally proposed for the postwar period but were simply archived by successive governments, or rewritten in a stripped-down fashion, for the explicit purpose of preventing Mexico from ever becoming an industrialized country.

The projects described here were presented to Carlos Salinas de Gortari in 1983, when he was Planning and Budget Secretary for the Miguel de la Madrid government. With his characteristically perverse inexpressiveness, he made no comment. As Social Development Secretary, the late Luis Donaldo Colosio had agreed to have a group of advisers review the projects. According to reports of those meetings,

the “advisers” panicked over the implications of such a pro-development perspective (they would challenge Wall Street and the City of London). Colosio was assassinated in early 1994, while campaigning as the ruling PRI party’s Presidential candidate.

With his doctorate in economics from Yale University, Ernesto Zedillo has simply dismissed as crazy those Mexicans committed to industrializing Mexico, and, contrary to his promises, has refused to consider any of their proposals made to him in late 1994, when he was still President-elect.

Today, Mexico is facing new Presidential elections, which will prove decisive for the very continued existence of the nation. We therefore present those projects, with the hope of creating a political movement for Mexico’s industrialization, which is our only defense against the disintegration of the international financial system.

### **Changing our economic axioms**

If we proceed from the hard fact that in the year 2000, Mexico will have some 100 million inhabitants, and assuming that the rate of population growth will “stabilize” (that is, tend toward zero), something for which Malthusians of every stripe yearn, this means that our population will increase to 150 million sometime between 2030 and 2050. The growth of population naturally implies greater requirements at all levels: jobs, energy, infrastructure, services, and so forth. And above all, it will require water, a great deal of water.

As we demonstrated in our study, “Why Is the Debt Bomb Going To Explode Again in Mexico?” the country had an economically active population in 1996 of some 34 million Mexicans, of whom 16.8 million were unemployed. Real unemployment in Mexico in 1996 was 49%, and this continues to grow to the point that, in the year 2000, there will be more unemployed Mexicans than employed.

How are we going to resolve such pressing problems, if those who govern us insist that there is little or nothing they can do?

The Zedillo government, certainly, is doing nothing. The PRD, and its moral leader and Presidential candidate Cuauhtémoc Cárdenas, promise the creation of a million jobs a year. But, if you take a closer look at the “how,” you see that the proposal is yet another of Cardenism’s political swindles to drill holes in the ship of state. As for the PAN and its Presidential candidate, Vicente Fox, his economic program will end up *eliminating* nearly 1 million jobs a year, by intensifying the disastrous neo-liberal economic policy dictated by London and Wall Street.

Francisco Labastida Ochoa, the PRI’s Presidential candidate, has promised to break with the neo-liberal policies of former President Carlos Salinas de Gortari, and to follow the path of Luis Donaldo Colosio, including the determination to create a million jobs a year. This is laudatory. But, how will he achieve this? In the real world, how does one move from words to deeds?

The difficulty facing those citizens who care about the future of the country, is that they proceed from the mistaken standpoint that the problems of national development can be resolved exclusively within currently existing cities, and that only these could be possible poles of development.

This reasoning leads us to just three alternatives:

1. Continue with the same economic policy followed by the last three federal governments, which means opting for Mexico’s suicide.

2. Choose 100 of the country’s already existing cities as development poles.

3. Change our economic axioms and produce new development programs.

### **Colosio’s ‘100 Cities Program’**

As Social Development Secretary, Colosio ordered the Integral Study on Populating the Coastal Regions, and other studies, which made up his ministry’s “100 Cities Program,” and which would have served as the basis for his government’s approach had he reached the Presidency.

The proposal that Colosio presented in September 1992 to Salinas de Gortari’s economic cabinet, involved an effort to decentralize Mexico’s large urban centers, concentrating “efforts on a group of 100 cities with the potential for general development and to promote favorable social and economic conditions.” The chosen cities “contained 20.5 million inhabitants, representing 29.2% of the total Mexican population, with populations ranging from 50,000 to 1 million.” The demographic increase in these cities was estimated at 7 million for the decade 1990-2000.

According to Colosio’s proposal, the problems that need to be solved are that “in recent years, the quality of bodies of water has shown marked deterioration, which reflects the lack of infrastructure necessary for collection and treatment of waste waters. What little infrastructure was built toward this end is either not maintained or is partially abandoned, because the relevant agencies lack sufficient financial resources for their conservation and operation.” Colosio added, “Only 15 of the 100 cities have sanitary waste disposal. . . . In the rest, there is no control over waste disposal, and hospital and industrial wastes end up in open-air dumps.” He warned, “It is common practice to use urban drainage ditches to dump industrial waste of all kinds. . . . Primarily in poor urban zones, residents, and sometimes even the authorities themselves, use the drainage ditches to dispose of garbage and other waste.”

Without exception, the 100 cities of Colosio’s program reveal, perhaps even more starkly, the same problems afflicting the big cities. Colosio’s program also reflects the same defects of economic conception seen in the past. What Colosio hoped to resolve was the following:

Fifty percent of Mexico’s population (some 50 million inhabitants) is concentrated in only seven states, while 50% is distributed throughout the other 25 states of the Republic. The seven states make up a continuous region that extends

FIGURE 1

**Mexico: population concentrations**



from Jalisco and Michoacán, through the center of the country in the states of Guanajuato, Puebla, Mexico, and the Federal District, and ends in the state of Veracruz (see **Figure 1**). Within this strip, four of the five most populated urban centers in the country are located: Mexico City; Guadalajara, Jalisco; Toluca, Mexico; and Puebla, Puebla. The third-largest city is Monterrey, Nuevo León, which has the worst problem in guaranteeing its water supply.

Colosio’s “100 Cities” proposal, however unintentionally, officially revealed that there is no urban concentration in Mexico, whatever its size, whose main problem is *not* water and energy supply. Even worse, is the uncertainty about

whether these population centers will be able to meet their critical water needs in the future.

To help satisfy demand in large urban centers, huge infrastructure projects will have to be built. However, this would create a paradoxical situation of inefficiency, because these projects have a relatively short time period in which to meet demand. Once they begin operation, they will be supplying urban areas in which existing infrastructure is stretched to the limit, if not obsolete, and serious problems of contamination will be posed.

It is also an inefficient approach to meeting the demands of the other 50% of the dispersed population, because low

population density makes the cost of even basic infrastructure virtually prohibitive.

To promise that these economic problems will be resolved, and a million jobs created a year, without taking these structural problems of the national economy into account, is nothing more than crude demagoguery.

### **Let us retake the path of industrialization**

Since 1983, a select group of Mexican engineers, along with some of their associations, have taken upon themselves the task of promoting within government circles these development projects for Mexico of the new millennium. These engineers are in the tradition begun in 1981 by the Fusion Energy Foundation (FEF), which issued its report "No Limits to Growth: A Development Program for Mexico." The FEF was founded on the principles of physical economy and scientific renaissance spelled out by U.S. economist and statesman Lyndon H. LaRouche, Jr.

According to the FEF studies, to truly create more than a million jobs a year and to take on the challenges of economic survival in the next century, the Mexican government must concentrate on the following:

1. Build basic, multi-purpose infrastructure projects to facilitate optimal exploitation of the country's river system through large dams and energy generation to guarantee a supply of good quality water, in sufficient amounts to meet the needs of new development centers.
2. Build new cities around these projects, new energy centers (made up of refineries, nuclear centers, thermoelectric plants, and petrochemical industries), industrial parks, irrigation, and aquaculture districts, to guarantee better living standards for current and future generations.
3. The federal government must encourage the private sector to engage in continuous construction of great infrastructure works, so that all new investment possible would be channeled into these new centers, at the same time that existing urban centers could be decentralized.

With constant advances in science and technology, creating and developing these new urban and industrial centers in a Mexico of the future should represent the sole objective not only of the federal government, but also of all Mexicans. There are no limits to growth!

The program that the FEF proposed in 1981 was directed at satisfying the needs of a population of 120 million over the course of 30 years, while at the same time establishing the basis for a solidly industrialized economy. The crux of this program is a great transition in energy use, based on nuclear energy, and radical agricultural modernization based on a hydraulic revolution which encompasses construction of two

great transfer systems.

The Hydraulic Plan of the Northeast (PHLINO), 30% of which had been built by the early 1980s, runs along the Pacific coast and would carry water from the state of Nayarit to the desert lands in southern Sonora state, through a system of dams and transfer canals that would operate by gravity. For the Gulf Coast, there is the Hydraulic Plan of the North Gulf (PHLIGON), which would involve the construction of a vast navigable canal, 30 meters wide by 1,000 kilometers long, to transfer water from the rivers of the country's southeast, to the northeast. This design involves using engineering techniques developed in the construction of the Zuider Zee lake in Holland, through which land was reclaimed from the sea and a coastal lake was turned into a great freshwater dam.

### **The Western Pacific Complex**

From the port at Mazatlán, Sinaloa, to the north of Puerto Vallarta on the border between Jalisco and Nayarit, we find one of the country's best coastal areas in terms of physiographic characteristics and variety of natural resources for development of one of the largest food industries in the world. Further, a series of dams that form part of the PLHINO have already been built in this area (see **Figure 2**).

The San Pedro Mezquital and Santiago rivers empty into the south of Nayarit state; the Acajoneta River empties into central Nayarit; and the Presidio and Baluarte rivers empty into the extreme northern region of this 300 km coastal fringe near Mazatlán. The annual average amount of water entering the coastal plain from these rivers is 15,300 million cubic meters.

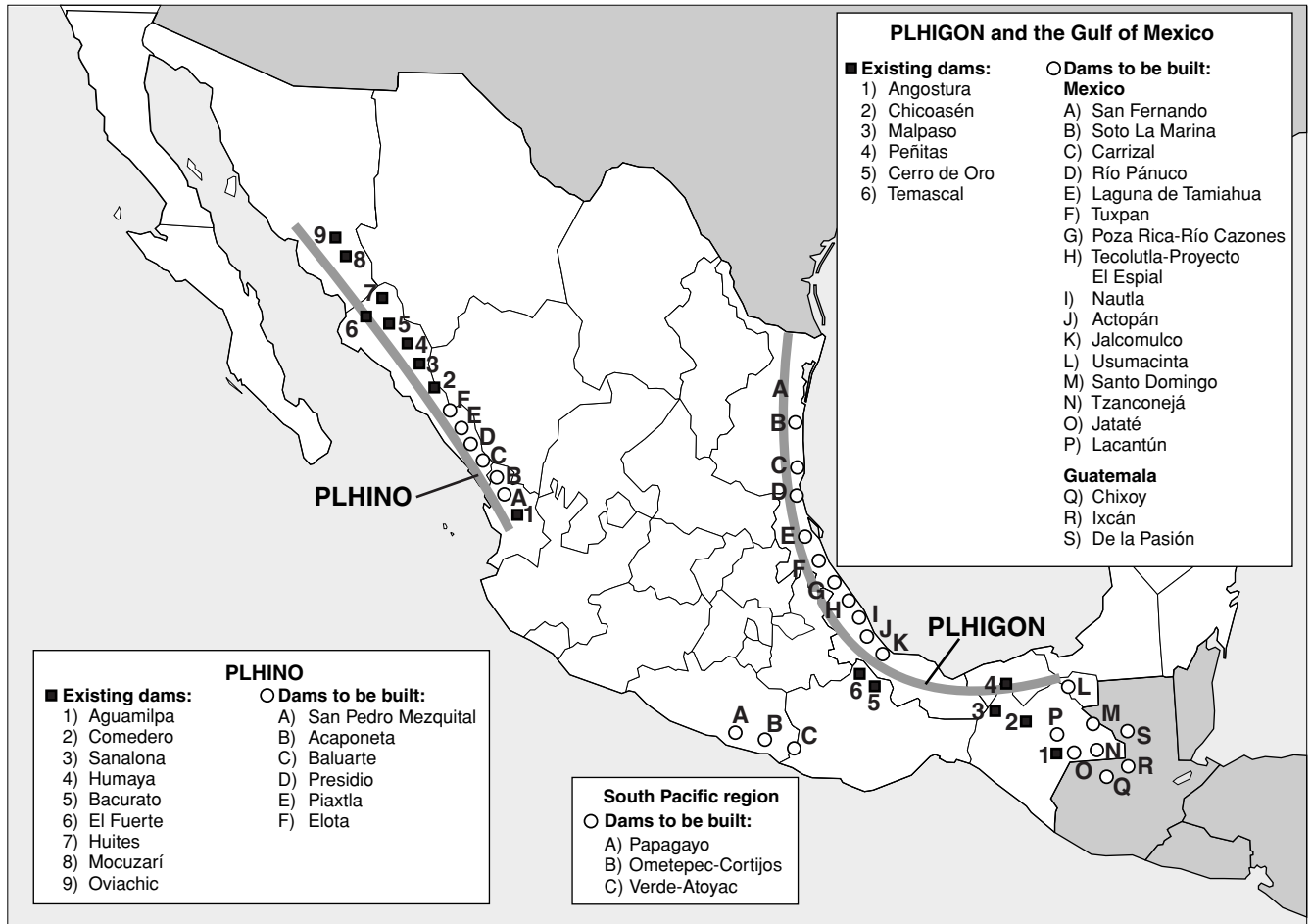
The Federal Electricity Commission (CFE) has already built the Aguamilpa hydroelectric project in the Santiago River, 60 km northeast of Tepic, Nayarit. The Aguamilpa Dam has the purpose of generating electricity, controlling flooding, and increasing land under irrigation. Aguamilpa is part of the first great project, based on which a series of great projects for optimal exploitation of the area's resources should be established.

The project contiguous to Aguamilpa is the Ixcátán Dam, now under construction on the San Pedro River, for water storage and transfer. The plan is to link the two projects through a transfer tunnel some 17.5 km in length and 8 meters in diameter, to ensure optimal use of the San Pedro and Santiago rivers, not only for water supply and electricity generation, but also to increase arable land surface and provide flood control.

The Ixcátán-Aguamilpa project will concentrate the hydroelectric potential of the Santiago and San Pedro rivers in two important energy reservoirs—the Aguamilpa Dam will function at full capacity during the rainy season, and the Ixcátán Dam will provide additional flows during the dry season, thereby assuring maximum production of electricity.

FIGURE 2

**Mexico: the PLHINO and the PLHIGON**



A little more than 100 km from Aguamilpa is the Acaponeta River. Projects to ensure its proper exploitation and control should be built—along with similar technology for the Baluarte River in Rosario, and the Presidio River in Mazatlán in Sinaloa—approximately 190 km north of Acaponeta. These dams would allow storage of 154.3 billion cubic meters of water, and an average annual supply of 340 cubic meters per second, for a population of 100 million inhabitants residing in a 300 km strip along the coast.

The key area for linking up these water transfer systems is the approximately 220 km between Mazatlán and Culiacán. From the Presidio River in Mazatlán, to the north, several rivers (the Piaxtla and Elota, in particular) in close proximity to each other need to be interconnected. The goal must be to hook up the already existing system of dams, which in turn must be interconnected for water transfer—that is, to the Comedero, Sanalona, Humaya, Bacurato, and El Fuerte dams.

Then, the Huites Dam would be able to provide water to southern Sonora in greater quantities than it does currently.

Multi-purpose infrastructure projects for the Western Pacific include construction of the Litigu Energy Center, located to the north of Bahía Bandera (Puerto Vallarta, Jalisco), consisting of a gigantic refinery, a thermoelectric project with four 750 megawatt turbogenerators, and large-capacity petrochemical plants.

Industries that consume large quantities of water—such as oil, steel, and manufacturing in general—would have a guaranteed, cheap supply of water, fuel, and electricity throughout the region. With backup from various basic infrastructure works, the entire area would be transformed into a production emporium: maximum exploitation of agricultural potential, fishing resources, as well as the potential for a modern, world-class fishing industry. The main ports would be San Blas, Nayarit, and Mazatlán, Sinaloa.

The new cities that need to be built in this region would be designed around the concept of physiological geography of the Peruvian genius Hipólito Unánue, a collaborator of German scientist Alexander von Humboldt at the end of the 18th and beginning of the 19th centuries. In Mexico, the best regions for physiological geography are the western slopes of the Western Sierra Madre, at an altitude where the climate is neither as unhealthy as it is in the ports, nor as cold as in the mountains. For the Mexican Gulf region, the appropriate sites are the eastern slopes of the Eastern Sierra Madre.

The other great project related to the industrialization of Mexico's northeast is the old Huites Dam (renamed the Luis Donaldo Colosio Dam), located in the far north of Sinaloa, along the border with Sonora state.

Since the early 1950s, a period of expansion in the building of water projects and increasing land under cultivation, the building of the Huites Dam was seen as the means to generate enough energy to electrify the Chihuahua-Pacific railroad, thereby providing Chihuahua with access to the sea, by means of the Topolobampo, Sinaloa port<sup>1</sup> (see **Figure 3**).

By applying this concept of energy use (abandoned for more than four decades), the Aguamilpa, Nayarit, and Huites dams in Sinaloa, and the Litigu Energy Center, could provide electricity for approximately 1,500 km of high-speed rail lines (capable of speeds of 300 kph) from Guadalajara, Jalisco to Hermosillo, Sonora.

The Energy Center could be expanded by using nuclear energy along the Pacific-Gulf of California coast in Baja California. Studies have already identified areas on the Sonora coast near Hermosillo, in Los Mochis, Sinaloa, and in the coastal region of Jalisco and Nayarit, as suitable for the installation of nuclear plants.

Together with a water transfer system, the high-speed electric railroad would transform the internal structure of the entire economic region. As has been historically proven, the railroad creates, expands, and unites markets, develops other sectors of the economy, shortens economic distances within a territory, redefines the value of the soil, and so on. High-speed electric railroads, such as the French TGV, would enormously improve Mexico's rail technology.

### **The South Pacific Complex**

So far, Mexico has done absolutely nothing to orient toward the growing and potentially enormous Pacific Basin economy. Mexico's Pacific Basin will have to be developed from Mexicali-San Felipe, in Baja California, along the California Gulf, and from Ensenada, Baja California, along the Pacific, to Puerto Madero in Chiapas. This will be accomplished by building the so-called Inter-Oceanic Canal, which

would link the main Pacific coastal ports.

To accomplish this, it is urgent that the South Pacific Complex, defined by a region along the coastal plain of approximately 330 km between the ports of Acapulco, Guerrero and Puerto Escondido, Oaxaca, be built.

The plan here is to control the drainage of the Papagao and Ometepec-Cortijos rivers, which flow to the Guerrero coast, and the Verde-Atoyac river system, which flows into Oaxaca state, by building large dams for reservoirs in the lower portion of the basins.

The design of these dams especially must incorporate safety features, given the seismic activity in the area. Resurrecting such construction methods, which used to be a tradition within the Federal Electricity Commission, is indispensable, as is expanding scientific and technical collaboration with Japan and China.

Dams for storing 22.3 billion cubic meters must be built to control the runoff from these rivers, which combined supply an annual average of 15.3 billion cubic meters. Construction of aqueducts and other basic infrastructural works will supply 590 cubic meters per second, enough to supply the water needs of a population of 150 million. Further, it will make possible the irrigation of 300,000 hectares.

Seventeen kilometers from the port at Zihuatanejo, Guerrero, the Potosí Energy Sector will be built, which will include an important refinery and a thermoelectric project with four 750 MW turbogenerators, as well as a great petrochemical complex.

### **Gulf of Mexico: the Grijalva-Usumacinta river system**

"The Grijalva-Usumacinta river [system] is among the seven most important rivers in the world, in terms of the volume of water it discharges to the sea. Because of its enormous potential, it is capable of doubling the agricultural and hydroelectric output of Mexico."<sup>2</sup>

Feasibility studies from the 1950s established that only a fraction of the energy made available by the planned water projects, would be enough to electrify the Southeast (Coatzacoalcos-Campeche-Mérida) Railroad, without taking from the substantial amount of energy that would still be available for "the industrialization of the country's southeast."

It should be noted that debate over the need to industrialize the country took place well before Mexico became an "oil power," and even before the problems of the large cities became a serious threat to the survival of the national economy.

The Grijalva-Usumacinta river system is the most important river basin in the country, and pours some 110.9 billion cubic meters of water into the sea, equivalent to 30% of the entire country's surface runoff.

1. Cristóbal Lara B., *Electric Energy Industry* (CFE, 1953); Carlos Villafuerte, *Railroads* (CFE, 1957). From the CFE series, *Economic and Social Structures of Mexico*.

2. Luis Echegaray y Bablot, *The Grijalva-Usumacinta Basin on a National and World Scale* (Ministry of Water Management, April 1955).

FIGURE 3

**Mexico: energy centers and high-speed railroads**



The utilization of the Grijalva river basin already achieved, gives us a very clear idea of what should be done to restart the national economy, and generate the much-promised million jobs a year.

In 1958, at the beginning of the Adolfo López Mateos government, the Federal Electricity Commission and Ministry of Water Management launched the Integration Plan for the Grijalva River, beginning with the construction of the Malpaso Dam during 1959-64. A second phase was launched with the building of the La Angostura Dam on the upper Grijalva River, during 1969-75. The stored water is two and a half times the volume of Lake Chapala.

The third stage of the Integral Plan involved construction of the Chicoasén Dam, built 105 km downriver from the Angostura Dam, and upriver from the Malpaso Dam, taking advantage of a difference in levels of nearly 2,000 meters. Its construction took place during 1977-83. By 1987, the fourth stage of the Grijalva river basin operation was finished, with

the construction of the Peñitas Dam, downriver from the Malpaso.

After 21 years, with a five-year interruption in the 1970s and two years' delay in finishing the works in the early 1980s, today from Chiapas, electricity is distributed to 17 of Mexico's states, reaching Nayarit and San Luis Potosí, a distance of 1,856 km and 1,472 km, respectively. The Federal District gets more than 50% of its electricity from Chiapas, 1,057 km away.

The 1955 projects emphasized that control and use of the Usumacinta River should begin with controlling and regularizing the flow of the Chixoy, Ixán, and La Pasión rivers in Guatemala, and the Lacantún, Jatate, Tzanconeja, and Santo Domingo rivers in Mexico. Controlling the rivers would make them navigable, thereby making new development centers fluvial (see Figure 2).

With the construction of large reservoirs, and utilizing the potential for electricity production, water supply, flood

control, and recovery of swamp land in the Tabasco region, a vast agricultural, energy-producing, and industrial region of major importance and efficiency would be created, both for the national and international economies.

With the development of the Grijalva-Usumacinta river system as it was conceived a half-century ago, our country would be in the vanguard of the projects necessary for recovery of the world economy, just as China is doing today with control of the Yangtze River, and with its participation in the building of the Eurasian Land-Bridge.

### **The central-north Gulf of Mexico region**

The subregion of the Veracruz-Alvarado port is a coastal area of some 100 km, similar to the Western Pacific Complex. It is already endowed with important infrastructure works, including communications grids, and its proximity to the country's most important oil, petrochemical, and nuclear complexes makes it one of the most attractive areas for launching new development poles on the western slopes of the Zongolica mountains.

By connecting the Temascal Dam on the Tonto River with the Cerro de Oro on the Santo Domingo River (the vast Papaloapan river basin), both located in Oaxaca, a reservoir of 13.7 billion cubic meters could be created. This would permit the utilization of a combined annual average of 14.8 billion cubic meters for the production of electricity, and at the same time guarantee adequate water supply for a population of 115 million.

The new energy centers proposed for the Gulf of Mexico (Minatitlán II for this region), including the construction of thermoelectric centers, refineries, and petrochemicals plants, would guarantee secure sources of fuel and electricity.

The Veracruz-Alvarado subregion has a concentration of population centers (including Tierra Blanca, Tuxtepec, Cosamaloapan, and Tlacotalpan), all within no more than 60 km distance. These could form the initial nuclei of new cities for the families of workers in the new development centers.

Construction of an electric train, a goal identified as early as the 1950s, would become reality. This would connect the Veracruz port with the city of Mérida, Yucatán, over a distance of 1,114 km. It would connect the main oil center of the country, through Coatzacoalcos-Minatitlán, Villahermosa, Ciudad del Carmen, and Campeche. As with the Western Pacific basin, a high-speed electric-powered railroad would revolutionize all aspects of the region's economy.

### **The Northern Gulf Water Plan (PLHIGON)**

If the PLHIGON is to come into being, construction of the projects designed for exploitation of the Pánuco River, where Tampico port and the industrial port of Altamira are located, is essential.

Toward the south of the Pánuco River, a large canal must be built to connect several rivers, and allow for water transfer from the plains of Tabasco, where the flow of the Grijalva-

Usumacinta river deltas would have been stabilized. The canal could transfer the giant volumes of water from the Grijalva-Usumacinta, in a system that links the Coatzacoalcos River and the Papaloapan-San Juan Evangelista River, with the Catamaco lakes and the Blanco River (see Figure 2).

From Lake Tamiahua to the Tecolutla River (Nautla, Veracruz), a transfer canal would be built as part of the El Espinal water project. This project would serve multiple purposes—production of electricity, irrigation, and flood control—and would link the city of Tuxpan, Poza Rica and the Cazones River, through Nautla, where the construction of the Punta del Morro Energy Center is planned (Figure 2).

From Nautla, the next step is to build the connecting canals to reach the Veracruz-Alvarado corridor, thereby achieving the complete integration of the Gulf of Mexico basins.

Plans for the development of the Gulf of Mexico basin culminate in the construction of the Intercoastal Canal, from the northern banks of the Pánuco River to the mouth of the Carrizal River, and from here to the mouth of the Rio Grande on the U.S.-Mexican border.

This entire region has characteristics similar to the coasts of Europe's Low Countries, in their natural state. As we have indicated, the result of building the Zuider Zee in Holland, was the development of the most advanced hydro-agricultural engineering in the world. This is precisely what our plan requires: construction of canals and barriers against the intrusion of the sea, thereby reclaiming land and turning the coastal lakes into freshwater reservoirs.

The construction of the Laguna Verde nucleoelectric center, located in the Veracruz-Alvarado corridor, demonstrated that the north central region of the Gulf of Mexico is ideal for installation of other such centers: the city of Nautla, Veracruz, as well as Tampico and Matamoros, Tamaulipas, were studied by the CFE as sites for installation of other "Lagunas Verdes." Similarly, there exists a plan for the installation of a conventional Energy Center in the environs of the mouth of the San Fernando River.

The link between the Pacific and the Gulf of Mexico would be through the very famous, and internationally coveted, interoceanic crossing at the Tehuantepec Isthmus, which would join the ports of Coatzacoalcos, Veracruz with Salina Cruz, Oaxaca, through a rail system like those already proposed.

The creation of more than a million production jobs a year is not self-evident, as the demagogues claim. However, all the projects proposed here are part of, or complement, programs which in the past were already under way in the national economy, as part of an effort to make Mexico an industrialized country. They have been abandoned, because of the treason of national rulers, and as the result of financial warfare from abroad.

The first step toward creating millions of productive new jobs, is to change our axioms regarding the physical economy.