

Latin America Takes Aim At The IMF

Over 1,000 eminent Mexican economists, in Mexico City April 26-28 for the second annual congress of the College of Economists, launched a broadside attack on the International Monetary Fund and its monetarist doctrines.

"Economic stagnation, promoted by stabilizing monetarist criteria, and in particular by the IMF, is an unacceptable option," the final resolution of the conference stated. The resolution, presented personally to Mexico's President Jose Lopez Portillo, called instead for "a mobilization of the population...behind a national plan for development" based on "the expansion of production, the creation of productive and justly paid jobs, and the strengthening of economic and social infrastructure."

The economists' congress highlights a growing resistance to monetarist dictates throughout those areas of Latin America not yet under total IMF control. This fight was carried by Mexico directly to IMF deliberations in Washington and is currently at the center of discussion at the annual ministerial conference of the UN Economic Commission on Latin America.

Mayday rallies in various points of the continent immediately demonstrated that there is a mass base prepared to take up the program outlined by the Mexican economists.

In Mexico itself, one million workers took to the streets

of Mexico City May 1 to demand higher wages if inflation is not curbed. Under Mexico's current agreement with the IMF, wages are to be kept to 10 percent increases; inflation is running close to 30 percent. Napoleon Gomez Sada, head of the giant trade union confederation, the Congreso de Trabajo, declared in his keynote address that workers were "the definitive force to move the Mexican Revolution ahead." President Lopez Portillo responded that indeed the worker sector has done its part to revive the economy and expand production, "now it is the turn of the business interests."

Equally impressive — and even more explicitly aimed at the IMF — was the Mayday Rally in Peru. Thirty thousand workers demonstrated, the largest popular rally held in the country in nine years. Peru's forced march toward a Chileanized economy was shaken up in mid-March by revelations that the IMF had demanded wage increases be held 35 percent below the inflation rate and that Peru submit to a virtual cut-off of vital imports. Rage over these measures fueled the workers' protest.

Eduardo Castillo, leader of the Communist Party-backed CGTP trade union federation, told the demonstration that "the government has decided to face the crisis by making concessions to the reaction and (to) the pressures of the IMF."

The anti-IMF labor ferment is significantly matched in

Monetarists Proposing 'Euthanasia For The Businessman'

The following are excerpts from the opening address at the Second National Congress of Economists, held in Mexico City, April 25-28. The address was delivered by the prominent Mexican economist Horacio de la Peña.

Modern monetarists...are considered defenders of the free enterprise system, of stability and order, which frequently is confused with social welfare...A common characteristic of all of them (monetarists), regardless of their origin, is that they think and act in German. Possibly this is due to the fact that it was Dr. Schacht who best applied their principles in Nazi Germany. Also he was the first monetarist whose success was rewarded by imprisonment. Others have received Nobel prizes....

The goal of the individual capitalist is expressed in monetary terms, the accumulation of financial wealth; on the other hand, the goals of society are expressed through real commodities and (society's) capacity to produce them...An investment can be good for the individual because of

the profits it generates, but this doesn't necessarily make it good for the society.

(The policy of austerity) leads to stability, but with a high level of unemployment and a zero or negative (rate of) growth...These results are incompatible with economic and social policy and confronts governments with an increasingly more serious problem of popular support, especially when reality demonstrates that austerity doesn't combat inflation or external instability but does reduce employment and real wages, and leads to immobility in the public sector. This has occurred in the United States, England, France, Italy, Switzerland, etc. In the case of Latin America the examples are tragic; from Argentina...to Chile...to Brazil. These countries have been loyal to the orthodoxy of stability (and) have obtained a greater instability without growth; and they have paid an additional cost: the loss of liberty and the democratic way of life.

In point of fact (the monetarists) are proposing euthanasia for the businessman...With defenders like these, the private sector hardly needs enemies.