

## 'Moratoria On Foreign Debt And Petroleum For Development'

*The following is a summary of a report delivered to the Second National Congress of Economists by Marivila Carrasco, member of the National Executive of the Mexican Labor Party (PLM). The report was summarized in the Mexican daily El Sol, April 26 under the above heading.*

Marivila Carrasco led off her address with a denunciation of the genocidal policies of the International Monetary Fund which calls for reductions in public spending, wage freezes, financial autarchy, and the looting of natural resources for debt payment. Carrasco emphasized the dangers of such policies, using as an example the state of economic and political disaster in Chile, Argentina and Brazil, all victims of the same Friedmanite recipes intended for use on Mexico.

Regarding the much-touted phenomena known as "external instability" acting on the Mexican

economy, the PLM leader explained that this is "only the most obvious expression of a profound break-down crisis of the world economy, caused by the bankruptcy of the financial structures that have dominated the capitalist world since the Second World War." Carrasco then developed the concept of the law of capitalism known as the "tendency of the falling rate of profit," that gives rise on the one hand to a tendency toward monetary explosion and uncontrollable hyperinflation, and on the other, a paralysis of the expansion of real production. Carrasco explained that when these results occur "The centers of world financial power begin to demand and impose negative rates of growth on the indebted economies."

The spokeswoman stated that only debt moratoria and the exchange of oil for technology can put an end to these IMF measures which when implemented, invariably result in the destruction of economies and democracies.

parts of the Peruvian business sector. The National Commerce Confederation (CONACO) declared on the eve of the Mayday rally that "accepting the program proposed by the IMF would cause an economic, social, and political convulsion of unforeseeable consequences, and endanger the integral security of the State." The business group warned that "the IMF is pushing Peru against her will into a debt moratorium..."

In Colombia, 60,000 workers defied conditions approaching martial law to protest the devastation of the country's economy under World Bank "development" plans. The march, sponsored by the Communist Party-led CSTC trade union confederation, took place peacefully despite efforts by pro-World Bank factions to provoke violent outbreaks as a justification for an anti-communist pogrom.

### *"We Would All Be Dead"*

Directing the attack on the IMF at the Mexican economists' congress was Horacio Flores de la Pena, Minister of National Patrimony under former President Luis Echeverria. In his keynote address, Flores de la Pena traced the historical roots of the IMF's modern monetarism "whose principles were best applied by Dr. Schacht in Nazi Germany." "Schacht," the economist assiduously noted, "was the first monetarist whose success was rewarded with jail. Others (Milton Friedman) have received Nobel prizes." The monetarist prescriptions for austerity in public spending "kill the sick man instead of curing him... We must not believe in present sacrifices for benefits in the long run, because in the long run we will all be dead," said Flores.

Congressman Armando Labra followed with a warning that IMF attempts to lower the federal budget below the amount approved by Mexico's Congress "would constitute a flagrant violation of Mexico's sovereignty." Labra and others demanded that the letter of intent

signed by Mexico and the IMF in January be made public.

Mexican Labor Party executive committee member Marivila Carrasco, an official participant in the conference, presented a detailed strategy on how to wage a successful war against the IMF. Mexico's \$30 billion debt is "the main instrument of blackmail," Carrasco said, and she called for Mexico to fight back with a "general moratoria on foreign debt payments." Carrasco's speech was featured prominently in the Mexican press.

### *IMF Interim Committee Meeting*

The economists' congress was organized with a keen eye on the concurrent IMF Interim Committee meetings in Washington. Although President Lopez Portillo has not openly endorsed the anti-IMF mobilization, many in his cabinet are known to agree with it and he himself has shown an increasingly clear anti-monetarist commitment.

With the force of the economists' drive behind him, Lopez Portillo ordered an astonishing about-face in Mexico's position in the middle of the IMF committee's deliberations. The statements of Finance Minister and IMF apologist Rodolfo Moctezuma Cid at the beginning of the week amounted to a servile "What's good for the IMF is good for Mexico."

According to Mexico City press accounts, Moctezuma was called back from Washington early. The remaining Mexican delegation in Washington released a communique strongly reminiscent of the international posture of former President Echeverria. As reported in the Mexican daily *Excelsior* April 30, Mexico will reserve its vote on IMF missions of "technical supervision" until assured that "national objectives and sovereign decisions of member countries are respected," taking into account "the interests not only of other member countries but of the world economy as a whole."