

Mexicans Challenge Europe To Create New World Economic Order

MEXICO

The Mexican delegation at the Third European-Latin American Interparliamentary Conference, held July 25-27 in Mexico City, presented a set of economic and political proposals which challenged the European governments to break with the U.S. Atlantic Alliance and join the struggle for the new world economic order as the only way to prevent world holocaust. The Mexican Congressmen turned the yearly meeting into a forum for debate on debt moratorium and the creation of a "European-Latin American Bank" for multilateral development projects and trade.

Their proposal closely parallels key features of the private International Development Bank recently proposed by Lyndon H. LaRouche, Jr., chairman of the U.S. Labor Party. This bank, together with former Mexican President Luis Echeverria's Charter of Economic Rights and Duties of States, were approved as concrete instruments for the creation of a new world economic order in a final document issued by the Economic Commission of the Interparliamentary meeting.

The Mexican delegation included many members of the "economist group" within the Mexican Congress. This group, strongly influenced by renowned nationalist economist Horacio Flores de la Pena, is closely associated with former President Echeverria.

Mexican Deputy:

New Order Or War

The following are excerpts from the keynote address of Augusto Gomez Villanueva, leader of Mexico's House of Deputies and president of the Latin American delegations to the Third European-Latin American Interparliamentary meeting, July 25, 1977.

The peripheral regions are now face to face with the world center of economic power in their fight for independence within interdependence. The pillars of economic power want to reconcile a technocratic model founded on multinational economic expansion with a model based on restricting the public investment sectors of the developing countries. They seek to determine all

internal financial policies, and that means abrogating the rights reserved solely for the sovereignty of each country.

When the centers of international capital force the poor countries to reduce inflation, public spending, and their population growth, they are indirectly forcing them to reduce their development, that is to say, to opt for the stagnation of education, of food and fuel production; or rather, to follow the road of the profitableness of capital, sacrificing the objectives of social justice. Our countries do not accept the imposition of prefabricated schemes by the principal centers of power, because they would turn us into showcases of fictitious development and backrooms of misery....

Debt Moratorium or War

As long as the abyss between debtor and creditor nations continues to grow, the world will live on the edge of catastrophe and food shortages will be able to turn into starvation and violence. The current deficit in the balance of payments of the oppressed countries...represents a ten-fold increase in less than ten years. These figures demonstrate to us that the present system of marketing, of money and credit only favor the banking centers and the huge multinational companies. If these powers insist on maintaining this relation of concentrated wealth versus the collapse of two thirds of the world, it would mean institutionalizing injustice and unleashing war. We must recognize, in addition, that the foreign debt of the Third World is already \$300 billion dollars, while the war-making powers spend \$350 billion in the absurd arms race....

The money of many dependent countries floats and devalues to the degree that the money of the industrialized countries revalues under major fluctuations decided at the top. The disruption of monetary patterns unleashes an exaggerated inflation in the market economy, which in turn dramatically damages the underdeveloped regions. It forces us to double our payments for imports of machinery and imposes on us incalculable financial burdens. To this, we must add the food deficit which reaches as much as 20 million tons of grain a year in Asia, Africa and Latin America.

Those who believe these figures are conjunctural are mistaken. We are dealing with a structure erected on irrationality; it must disappear to make room for the creation of a new international economic order, the only way to shut out global violence...

To isolate the phenomena of our world would be a myopic distortion with fatal consequences. To separate economic relations from human rights, inflation from urban violence or foreign debt from food shortages would

be to propagate a fallacy which, when intentional, is identifiable as a colonial attitude. If we do not face up to the causes and their effects in their totality, we will forfeit the political responsibility that we hold as legislators, and history will condemn us. If on the contrary, the voices of those who are elected by their people express the necessity of transforming the present state of inequality into a new international statute of economic and social justice, we will be assuming ethics as a rule and reason as the instrument which will open the future to a society without oppressors or oppressed...

A New World Order

The juridical instrument for realizing this ideal already exists, and was adopted by 120 votes in the United Nations on December 12, 1974 (the Charter of Economic Rights and Duties of States). The long and difficult process that this new international economic law had to go through reflects the resistance which still opposes peaceful change of unjust structures.

The international community made up of 138 nations manifested the will of 3.2 billion inhabitants on five continents in favor of the new economic order to which this instrument of equity — recognized by humanity as its bill of rights — aspires....It is foreseeable that the six

countries which voted against it and the ten which abstained, now recognize the historic vision that the Charter entails, its justice, its equilibrium and its humanist philosophy of the development of peace, liberty and democracy...

The shared interests that connect us are only a reference point which does not go beyond the level of abstraction as long as the norms of economic rights established by the Charter are not implemented; those norms are the sovereign rights of each nation to determine the free use of its natural resources; the respect for the right of each people to adopt the economic structure that suits them and to give to private property the forms that public interest dictates; the subordination of foreign capital to the laws of the country where it operates; the absolute prohibition of multinational corporations intervening in the internal affairs of the nations; the abolition of those commercial practices which discriminate against the exports of the nonindustrialized countries; agreements that guarantee stability and a just price for basic products; a broad and adequate transfer of technology and science, at less cost and with more promptness, in favor of the backward nations, and greater long-term financing for development, at low interest rates and without strings attached...

'Atlanticism Is Obsolete'

The following are excerpts of the joint presentation made to the economic affairs committee of the Interparliamentary meeting July 24 by Mexican economists and Congressmen Jesús Puente Leyva and Armando Labra.

Although the developing countries, especially those of Latin America, are fighting to get Europe to play a role more commensurate with her political weight, this fight is seriously limited by the restrictions imposed by Atlantic solidarity. To date Europe — the European

Economic Community — has maintained an international policy which has not dared express, to its ultimate consequences, an open rapprochement with the countries of the Third World, including Latin America.

It is indispensable for all the industrialized countries — not only the EEC — to abandon the obsolete conception of the so-called hegemonic spheres of influence, inspired by a conception of geopolitical inertia which is inconsistent with the dynamics and growing interdependence of today's world economy....

From this perspective the underdeveloped countries fear that the North American notion of the new order means, above all, a reactivation of the Atlantic Alliance.

Call For A European-Latin Bank

The following are excerpts from the proposal made by Mexican economist and Congresswoman Ifigenia Navarrete for the creation of a European-Latin American Bank, during the opening session of the Interparliamentary meeting. Mrs. Navarrete's statements are reprinted from the Mexico City daily El Nacional of July 25:

One of the objectives of this institution would be to channel European investments into Latin American multinational (development) projects, and to finance trade between Latin American countries and the European Community. It would also include regularized investment in enterprises involved in the classification, preparation and packaging of agricultural products for

export, including the cash requirements of exporters and of the exporting itself, to be understood as the financing of one or all of the necessary operations involved in the export of goods and services....The bank can issue loans to national institutions of exporting countries, purchase credit notes issued by the national institutions and rediscount the importer's letters of credit guaranteed by national institutions. By means of the rediscounting procedure, the national institutions would transfer directly to the bank the unconditionally-guaranteed credit notes issued by the importing country, after which the bank would place them in the capital markets....Additionally, the bank could preside over a pool of commercial banks to control the discounting of any commercial paper, such as letters of credit, promissory notes, etc. With regard to export financing, a specialized fund could be set up for financing reinvestment on the basis of studies of internal markets and the feasibility of development projects...