

The lid pops off Mexico's Mont Pelerin Society

by Timothy Rush

One of the cardinal rules of the secretive Mont Pelerin Society is that it stays behind the scenes. Its annual gatherings are never reported in the press; its numerous well-endowed think tanks and publishing houses, such as the Institute for Human Studies in Palo Alto, California, the Foundation for Economic Education in Irvington, New York, and the Center for Documentation and Information in Madrid, never identify the Mont Pelerin Society as their unifying "mother."

In fact, the Mont Pelerin Society has no identifiable head office and no literature of its own.

Yet the roster of its members—leading with such names as Milton Friedman and William Simon in the United States, Sir Karl Popper in England, and Count Otto von Hapsburg in Austria—includes household names from almost every OECD country and many developing nations, particularly in Latin America. Each works as a point of entry for Mont Pelerin's radical "free enterprise" ideology in larger institutions and university faculties (see "Mont Pelerin's Hatchetman: Milton Friedman, *EIR*, July 23, 1980).

Thus it was surprising last week when one of Mexico's Mont Pelerin members, dating back to the period of the 1947 founding of the organization at the Mont Pelerin resort in Switzerland, suddenly emerged in print with a defense of the Society's activities by name.

Agustin Navarro Vázquez made his membership in Mont Pelerin the principal theme of his widely read column in the weekly magazine *Impacto*, dated Nov. 19. Mont Pelerin members contacted by the *EIR* in the United States have registered dismay that the nature and activities of the society have become a matter of public debate in this way.

One member volunteered his particular embarrassment at Navarro Vázquez's final words: "Mexico's distinguished families will put you [the *EIR* and a Mexican columnist] in your place."

The *EIR* drew Navarro Vázquez's wrath after an *EIR* Dateline Mexico Special Report on "Reagan's Mexico Connection" was serialized front page in the Mexico City newspaper *Excelsior* by columnist Manuel Buendía, starting Nov. 7, 1980.

The wide-ranging *EIR* study, first prepared in August 1980, included an analysis of Mont Pelerin's Mexico chapter and its activities on behalf of the Reagan candidacy.

In the United States, the attempt by Mont Pelerin leaders such as Milton Friedman to dictate Reagan administration economic policy is at the center of intense transition-period factional struggle.

In Mexico, the issue is just as hot. As this journal revealed in a recent Dateline Mexico column, it was at this year's Mont Pelerin Society annual meeting, held in Palo Alto, California at the beginning of September, that orders were issued for a major destabilization drive against the Mexican state and against those substantial sections of the Mexican business community collaborating with the state in the "Alliance for Production" program.

One of the channels for the orders, according to sources, went through Navarro Vázquez, present at the Palo Alto conclave, to the director of the CEESP private-sector think tank.

The CEESP, in collaboration with Mont Pelerin disciple Luis Pazos, subsequently launched a massive propaganda drive to convince the Mexican private sector that Pinochet's Chile was an appropriate model of what Mexico should look like under a true "free enterprise" system.

As part of the same campaign, William F. Buckley, a 30-year collaborator of Mont Pelerin and a thrice-yearly visitor to its Madrid Documentation and Information Center, wrote a column for national U.S. syndication eulogizing Luis Pazos as "The Milton Friedman of Mexico." Buckley reproduced the Pazos/CEESP attacks on the Mexican state sector verbatim for the U.S. audience.

The EIR role

The sheer rage and vituperation of the Navarro Vázquez column (excerpts below) reveals something important about the increasing role *EIR* and the La-Rouche-Riemann model, developed by our economics staff in collaboration with the Fusion Energy Foundation, are playing in the heated Mexican economic policy fight.

There are essentially three econometric-backed approaches which are competing: the direct Mont Pelerin Friedmanite approach; the Wharton School model of recent Nobel Laureate Lawrence Klein; and the La-

Navarro Vásquez protests in *Impacto* column

In his two-page diatribe in the Nov. 19 issue of *Impacto*, long-time Mexican Mont Pelerin leader Agustin Navarro Vásquez figuratively tore out his hair that a special *EIR* report had brought the role of Milton Friedman and Mont Pelerin to center stage in Mexican political and economic discussion.

Not wishing to face down the *EIR* directly, however, Navarro Vásquez instead took the curious tactic of addressing the *Excelsior* columnist who serialized the *EIR* study, Manuel Buendia, as if Buendia himself were the author. This, although Buendia went to great lengths to identify the source of the study, and Navarro Vásquez himself opened an attack on the *EIR* by name at the end of the *Impacto* article.

Though constantly taking "Buendia" to task for lying journalism, Navarro in fact confirmed all of the basic *EIR* information and added some new information of his own: that his son, Agustin Jr., has been a full-fledged member of Mont Pelerin for several years, and that the old-line Mexican Pelerin members look down on Luis Pazos as a parvenu. For the flavor, some excerpts:

On his membership in Mont Pelerin: Thanks for the compliment and I promise to merit it, because I believe there are very few groups as important, distinguished and select as the Mont Pelerin Society. . . . I give thanks for your referring to my most honored membership of 20 years in that ineluctable summit of universal social-economic thought that brings togeth-

er philosophers, thinkers, economists, sociologists, true journalists (not like you!).

Response to the EIR (note that Milton Friedman advocates legalization of drugs and highlights drug-infested Hong Kong as a "free enterprise" model:)

What's going on, Buendia? You don't even know how to slander someone? For your information, which you so greatly lack, Hong Kong is a city with enormous industrial power and is a model of the effectiveness of private enterprise. . . . [and] proves the miracle of the functioning of economic liberty. Unfortunately for you, Buendia, you cannot erase this with a stroke of the pen.

On the Executive Intelligence Review, identified by address and telephone number in the Buendia serialization: What a very strange coincidence that this address and telephone are the headquarters of the "United States Communist Labor Party," as well as various other front organizations as communists are used to doing, as "New International Press Service," to distribute slanderous material to the entire world, communist propaganda; headquarters also of the subversive weekly magazine "Executive Intelligence Review."

On the report's real authorship: You burned yourself this time, Buendia. . . . I suspect you "helped" write this report, using the old and worn techniques of writing something here to have it published abroad, where it is amplified by one's accomplices and gets "kicked back" to Mexico.

Copies of the original EIR Dateline Mexico Special Report, "Reagan's Mexico Connection," August 1980, are available from EIR's New York and Mexico City offices. Cost: \$100 per copy.

Rouche-Riemann model.

The first two are "go slow" approaches, the Friedmanite one rabidly so. Only the LaRouche-Riemann model is premised on the primacy of industrial growth and rapid rates of technological advance as the essential yardsticks of sound economic development.

The initial presentations of the LaRouche-Riemann model in Mexico have met with enormous interest, first in a seminar at the Mexican Petroleum Institute, later at an all-day seminar sponsored by the Mexican Association of Fusion Energy, and finally in two days of

presentations in the northern industrial city of Monterrey.

Reflecting this influence, some of the guiding concerns of this publication—productivity based on advancing technologies, growth of tangible goods production as against mere paper values of speculative investments—were abundantly in evidence at such central policy conclaves as the Nov. 13-15 conference at the Mansion Galindo in the city of Queretaro.

Full elaboration of the LaRouche-Riemann study of the Mexican economy is now close to publication.