

## Editorial

### *After the earthquake*

The first consequence of the terrible earthquakes which hit Mexico on Sept. 19 and Sept. 20, has been the deaths of thousands of people, and the threat of an even greater holocaust in the precarious conditions of the devastated Mexican capital city.

The second consequence must be, that Mexico repudiate the accord it made with the International Monetary Fund in 1982, to pay all the debt demands of the international bankers at the cost of its own industrial development program. And that every nation deserving the name, full support to Mexico in its sovereign decision to not pay the IMF.

Although the earthquake was a "natural disaster," the IMF's own policies are to blame for the fact that Mexico is unprepared for relocating 5-6 million citizens out of Mexico City, long identified as an area unsuited to such a scale of population, and into thriving new industrial urban centers.

As *EIR* reported in a series of major studies beginning in 1979, the Mexican government under then-President López Portillo had mapped a strategy for building four new "superport" cities on its Atlantic and Pacific coasts, to attract millions of the people now living in Mexico City, as well as allowing for an orderly growth process that would "build another Mexico" the size of the existing one by the year 2000.

Mexico's program was to transform the oil wealth that had been discovered off the Atlantic and Pacific coasts, to develop petrochemical complexes, and rapidly acquire a nuclear energy capability that would replace petroleum as an energy source. The four superports were planned to accommodate 5 million people. By 1981, three additional coastal sites had been targeted for feasibility studies, for building other superports.

In May 1981, *EIR* quoted President López Portillo's comments on the progress toward the four "superports" that had been made at that time. "We are convinced that a country which deserves to be a country, a country which wishes to be viable, must conceive of itself in the long term. The industrial ports are an

important and audacious way to do this. Enough of concentrating ourselves in the central highland areas and folding our arms in the face of fatalistic economic processes! Let's organize to export, let's induce and lead change. We are growing at extraordinary speed in a short time. We can normalize this to the degree we plan new initiatives."

As *EIR* published in great detail at the time, Mexico's building program could give a tremendous boost to depressed U.S. industry, by providing vast markets for U.S. high-technology capital exports.

Instead, the International Monetary Fund forced Mexico to sign an accord at the end of 1982, and the grand city-building strategy was never implemented. Debt service came first—it now eats up the *totality* of Mexico's export revenues, and half the Gross Domestic Product—and investments in "great projects" had to be deferred, indefinitely.

Now, the city-building program must move ahead on a crash basis, to give a permanent new home, away from Mexico City, to the 5-6 million people displaced by the tragedy.

On the very day the earthquake hit, the International Monetary Fund announced that loans to Mexico had been stopped, because the country was "out of compliance" with the Fund's economic "reform" program, which calls for austerity, austerity, and more austerity. Wires services now say the Fund might reconsider easing debt payment conditions because of the earthquake.

Mexico has asked the United States for heavy earth-moving equipment and technical help in order to proceed with emergency rescue operations. It does not have this equipment now, precisely because the great projects mapped out under López Portillo were never allowed to proceed. The United States should immediately provide what Mexico has asked for. And as the cleanup in Mexico City is completed, the same machinery and technical assistance can be used to construct the new cities, and resume the "important and audacious" approach to the future.