

# Mexican Congress receives draft bill on 'life after the death of the IMF'

by Carlos Wesley

Mario Alberto Navarro, sergeant-at-arms of the Mexican Senate, formally received on Aug. 23 a draft "Initiative to Reactivate the National Economy, and for Mexico's Participation in a World Economic Recovery." The draft bill, a proposal from the "Second National Forum: There Is Life After the Death of the IMF [International Monetary Fund]," was presented to the Standing Committee of Mexico's Congress by Navarro, immediately after he received it, surrounded by TV cameras and press, from a delegation made up of Marivilia Carrasco, chairwoman of the Ibero-American Solidarity Movement (MSIA); Manuel Villagomez, president of the National Confederation of Micro and Small Industries (Conamipi); and Juan Carlos Grayeb, representing the National Association of Bank Users (Conaubac), which claims 1.1 million members.

The citizens' initiative entered the Mexican Congress just one week before President Ernesto Zedillo's Sept. 1 State of the Nation address, and in the midst of the debate precipitated by Sens. Fernando Solana and Trinidad Lanz Cárdenas on the debt crisis. Already, in July, the Senate Finance Committee condemned the practice of capitalizing interest payments on arrears, calling it "usury and loan sharking." Senator Solana, the former foreign minister who led the fight against IMF policies along with Senator Lanz, said it was time for the government to "listen to what's going on in the fields and the streets of Mexico, instead of on Wall Street."

While the bill was being presented to Congress, outside the Senate a delegation from the organizations that participated in the Second National Forum, which submitted the document, staged a demonstration calling for passage of the initiative. The demonstrators called for the ouster of Miguel Mancera, governor of the Banco de México, the central bank, who has exercised a virtual dictatorship over Mexico's finances for the past 15 years.

One of the protestors dressed as a bankrupt banker, complete with a beaten-up top hat, which attracted the attention of the media and passersby. The poor banker sat at the entrance of the Senate passing his hat, begging for alms. A real beggar came by, the two hugged (while the cameras rolled away), and both started panhandling together. Afterward, the demonstrators walked over to the nearby Banco de México, where the "bankrupt banker" took out a rag and started wiping the wind-

shields of passing automobiles, provoking much laughter.

## Eleven states represented

The draft bill came out of the deliberations of the Second National Forum held in Mexico City on Aug. 18-19. Among the 185 delegates from 11 states, besides the MSIA, Conaubac, and Conamipi, there were representatives from the National College of Mechanical and Electrical Engineers (a professional association), the National Catholic Party, the Cajeme Agricultural Union, the Permanent Forum of Rural Producers, and the Mexican Association of Micro-Entrepreneurs.

If passed, the bill could add 1 million new jobs per year to Mexico's economy, said one of the organizers of the Second National Forum. The delegates also heard a proposal for reactivation of Mexico's agriculture by means of massive irrigation projects for the arid north, with water to come from the water-rich southern state of Chiapas. This is another reason why the Zapatista insurgency must be defeated and stability brought to the region, the delegates were told.

In the bill they submitted to Congress, the sponsoring organizations noted that the Mexican government has the means at hand "to achieve sufficiency and progress in our nation's manufactures and agriculture. Our goal is to save, at all costs, national production from the sure suicide which threatens it through the application of IMF policies. Our movement is committed to awakening the community of interests of all Mexicans, which are those which produce national vitality. We do not want sterile protests, nor revolts, nor insurrections.

"The Mexican people, by divine law, by natural law, and by the law of nations, has the right to free itself from usury."

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## Documentation

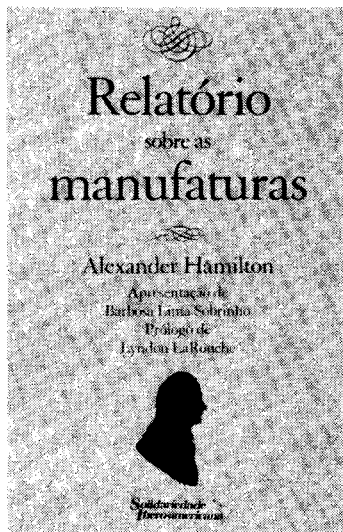
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*Following are excerpts of the draft "Bill for the Reactivation of the National Economy and for Mexico's Participation in a World Economic Recovery," introduced to the Congress of Mexico on Aug. 23, on the initiative of several civic organiza-*

## 'Report on Manufactures' is published in Brazil

On Aug. 29, the first edition in Portuguese of Alexander Hamilton's "Report on Manufactures" was presented in Rio de Janeiro. There were 80 persons in attendance at the event, which was held in the library and the gardens of the Museum of the Republic, which used to be Brazil's Presidential Palace until 1960.

The audience was made up of the "cream of Brazil's republican elite," according to one report. Attending were former parliamentarians, active and retired military (including the editors of two military publications), engineers and other high-level technicians, businessmen, and others, including the two granddaughters of Luiz Rafael Vieira Souto, an engineer who was one of the pioneers of the American System in Brazil, and who is referred to in the appendix to the book. Vieira Souto was also the teacher of Barbosa Lima Sobrinho, 98, the dean of Brazilian journalism and the author of the preface of the book.



Nilder Costa, director of the Ibero-American Solidarity Movement (MSIA) in Brazil, opened the event by introducing a musical program—a guitar and flute duo, which played works by C.P.E. Bach, J.S. Bach, Fernando Sor, Heitor Villa-Lobos, and Pergolesi.

Barbosa Lima Sobrinho, the featured speaker, who writes a weekly column for *Jornal do Brasil*, talked about the importance of Alexander Hamilton and his contributions. He concluded, "Nothing else needs to be said; buy the book!"

Silvia Palacios, *EIR*'s correspondent in Brazil who was the editorial coordinator of the project to publish the book, said that it was part of the efforts of the MSIA and *EIR* to publicize the positive contributions of the American System. "We hope that the book contributes to reviving the anti-oligarchy tradition in Brazil."

Also shown was a videotape from a recent "The LaRouche Connection" television show, in which Lyndon LaRouche, the author of the Prologue to the book, spoke about the importance for Brazil of Hamilton and the ideas of the American System. LaRouche said that Hamilton's development of a paper currency and use of "national banking, protectionism, and this kind of political economy—based on scientific and technological progress, and infrastructure building, state responsibility for building infrastructure for the local states or the national government—was the basis for the greatness of our [the United States'] economic achievement. . . .

"On that basis, we always succeeded. National banking and the American System: It always works. It worked for us, it will work for us again. It will work for Brazil now."

tions that participated in the Second National Forum, "There Is Life After the IMF."

Whereas:

Today, each and all of the nations on this planet are under the domination of a single world financial and monetary system, that of the International Monetary Fund (IMF); this system is in the process of disintegrating, and the definitive disintegration of the IMF system could occur within weeks or could be postponed, at most, in an unlikely case, until the beginning of 1997;

Nothing of the current financial and monetary system can be saved, and no solution whatsoever exists within this system for any nation;

Within 48 to 72 hours following the onset of definitive disintegration, classical measures of bankruptcy reorganization should be put into effect for the totality of the world financial and monetary system and, therefore, our nation

should resort to the same type of reorganization; and

The political, economic, and social forces of our nation need to participate, beginning now, in shaping the intellectual and programmatic preconditions which will permit the adoption of the relevant measures of economic, financial, and monetary reorganization. We offer the following draft law to reactivate the national economy and for Mexico's participation in a world economic recovery.

### **I. Participation of the national government in the reactivation of the world's economy**

. . . The Congress of the Union instructs and authorizes the Executive branch to, as quickly as possible, enter into negotiations with the government of the United States and other nations which desire to participate, to: a) convene a World Monetary Conference to develop a new monetary order to replace the International Monetary Fund; b) establish a new set of trade, tariff, and economic accords that reflect

the vital common interest of the sovereign nations committed to this general recovery effort. . . .

## II. Domestic monetary reform

. . . A strong national currency is essential as an instrument of the national sovereignty of the government in its own economic affairs, as well as to promote the creation of real wealth through the appropriate credit mechanisms. To support a robust national currency and assist in orderly and just trade relations domestically and with other nations, the national monetary system is reorganized on the basis of gold reserves and the value of the currency is fixed to a "basket" of goods, which will be defined by a subsequent decree. . . .

## III. A new National Bank

. . . A nation's bank cannot be "autonomous." Undoubtedly, an institution which is assigned sovereign tasks cannot operate outside of the control of the nation itself, for which reason the Banco de México is restructured as a new National Bank, under the following criteria:

. . . The new National Bank is the property of the State and will function under the orders of the Federal Executive, in conjunction with the Congress of the Union.

. . . The new National Bank will follow a general policy of encouraging the increase of the productive capacities of the national labor force through scientific and technological progress; the promotion of independent family farming, the formation and development of small and medium-sized industrial enterprises, and general capital improvements for industry and mining; and providing credit for urgent improvements in housing, physical infrastructure, and facilities for education and health.

All issuance of credits by national and foreign banking institutions and by individual persons, will be subject to laws against usury. . . .

## IV. A new Mexico for the 21st century

. . . Basic physical infrastructure, which includes transportation, energy, and the supply and management of water and communications, is greatly deteriorated. Therefore, the government will immediately establish a National Infrastructure Commission, which will have general responsibility for the planning and speedy execution of a National Infrastructure Plan.

Large-scale investments in the improvement of the nations' infrastructure are the most efficient way of increasing the productivity of the economy, sustaining a high level of productive employment, and creating conditions favorable for the rapid development of private industry and agriculture. . . .

## V. Trade and tariffs

. . . The trade of essential goods, such as food, raw ma-

terials, and basic equipment at prices below their cost of production, causes grave economic damage that cannot be tolerated. . . .

The government will thus establish a new system of parity prices for national producers. . . .

Within the new world financial, monetary, and economic order, it will be determined to eliminate the World Trade Organization, whose predecessor, the General Agreement on Tariffs and Trade (GATT), led international trade relations to an intolerable situation, destroying entire sectors of national production and impoverishing the great majority of the peoples who fell under its dictates, such as our country.

## VI. Tax policy

. . . The proper function of a tax system is not only to generate the revenues needed for the functioning of the government, but also to encourage those categories of activity that benefit the general welfare of the Nation, at the same time that those that are provably harmful are discouraged. . . .

The most efficient way to increase the revenues to the treasury, is by promoting the productive employment of the labor force in capital- and technology-intensive activities, which increases the per capita physical output of production. . . .



## LaRouche Campaign Is On the Internet!

Lyndon LaRouche's Democratic presidential primary campaign has established a World Wide Web site on the Internet. The "home page" brings you recent policy statements by the candidate as well as a brief biographical resumé.

**TO REACH** the LaRouche page on the Internet:

<http://www.clark.net/larouche/welcome.html>

**TO REACH** the campaign by electronic mail:

[larouche@clark.net](mailto:larouche@clark.net)

Paid for by Committee to Reverse the Accelerating Global and Strategic Crisis: A LaRouche Exploratory Committee.