

J.P. Morgan Chase, in particular, has been slammed by the Enron and WorldCom bankruptcies, as well as by a possible Brazilian default. This explains why the U.S. government so urgently facilitated the \$30 billion IMF loan to Brazil. The object was to save Citibank and J.P. Morgan Chase, not Brazil. And it was done despite the U.S. government having insisted earlier, “Not a penny for Brazil. We will not do any more bailouts, like what we did for Mexico in 1995.”

J.P. Morgan Chase’s financial derivatives represent double the GNP of the United States. That’s the size of the problem that can hit us tomorrow morning when we wake up. This is what LaRouche meant, when he said the worst is yet to come. But what must be understood is that the crisis *has already begun, and no one can stop it.*

The final figure, **Figure 17**, is the famous typical collapse function, designed by LaRouche. This figure reflects the methodology of economic study used, by counterposing the growth of financial aggregates and monetary aggregates, which become a hyperinflation of financial obligations, against the hyperdeflation of real economic values. This is the scientific instrument that we have in hand, and which we have used to prove to you the historic moment we are facing.

Thank you very much.

Rubén Cota Meza

National Development or Jorge Castañeda’s ‘Imperial Maquiladora’

Presented on Aug. 23 to the Guadalajara meeting. Mr. Cota Meza a leader of the MSIA in Mexico.

Since the disastrous era of Antonio López de Santa Anna and the wretched imperial design of that puppet of the Holy Alliance, Napoleon III, and the heedless Maximilian of Hapsburg, never in our history has the existence of our nation as an independent and sovereign republic been more at risk than it is today under the co-government of Jorge Castañeda Gutman.

Castañeda’s policies and commitments are to an imperial plan; a plan already well defined by him, of which he has spoken and written publicly, which he has documented, argued for, and issued open calls to other political forces to help bring about. He has already designated the “two axes” of his foreign policy, which are a North American Community, and an Empire of International Law as the “supreme law” of Mexico.

Castañeda doesn’t even bother to disguise his proposals, but presents them crudely under the title of “diplomatic realism.” In the debate on Mexican international strategy, Castañeda says, “two forces are arrayed against each other”; one is “real politics” and the other is “moral politics. . . . The new foreign policy of Mexico is realist; it recognizes the incontrovertible fact that there exists a hegemonic power today, to which we are closely tied by reasons of history, geography, and concrete interests”: the United States, which “occupies a position of undeniable hegemony” (*El Universal*, June 29-30, 2002). Based on the premise of “incontrovertible fact,” and with the “undeniable hegemony” of the United States thus accepted, Castañeda goes on to develop a strategy for annexing Mexico to that superpower.

The Diplomacy of Anticipated Surrender

Following Vicente Fox’s electoral victory of July 2, 2000, wrote Castañeda in the Feb. 24, 2002 issue of *Reforma*, it was imperative to bring Mexico’s relations with the rest of the world “up to date.” To do this, President Fox established a double strategy. On the one hand, “to give greater depth to our long-term strategic relationship with the United States, which for both historic and geopolitical reasons is—and will continue to be for the foreseeable future—Mexico’s most important partner.”

For “greater depth,” Castañeda understands the creation of “a new set of permanent institutions” in North America, which would “promote prosperity,” while at the same time contributing to Mexico’s achievement of “a successful and definitive transition to democracy.” Specifically, he says one must seek “a new set of permanent institutions that will permit the free movement of capital, goods, services, and people,” which he dubs a North American Community. Such a Community would require designing mechanisms for “resource transfer” from the United States to Mexico, and then, to “strengthen social cohesion and develop infrastructure.” By “resource transfer,” he means opening Mexico’s doors to so-called “foreign investment,” which, according to Castañeda himself, “represents a correct step in the right direction that was taken more than a decade ago.” That is, Castañeda is proposing going further down the path that was traced by [President] Carlos Salinas de Gortari.

Says Castañeda, the North American Free Trade Agreement “was proposed and presented as a means of anchoring the new macroeconomic policies of the United States and Canada.” However, according to Castañeda, the clearest limitations of NAFTA derive from the “typically authoritarian manner” in which the instrument was negotiated. NAFTA “left national sovereignty practically intact,” laments Castañeda, and “this last is crucial,” since “our country should transcend limitations which—in the context of a poorly understood sovereignty—have atrophied its potential for development.” For Castañeda, consolidating democracy “demands that we update that notion of sovereignty,” so that “Mexico commits itself to adhering to supranational rules in exchange

for encouraging prosperity and assuring the political stability of our society.”

With this policy, says Castañeda, Mexico “approaches the world in search of a new identity.” That is, what Jorge Castañeda seeks to carry out in Mexico is a profound change, an historic change: abandoning what Mexico has been as a nation, to make the country into something different. That “something different” is to be the laboratory experiment of a new form of imperial supranational government. In order to incorporate Mexico into this global structure, ruled and governed by a bureaucracy that no people have elected, international law must be imposed as the supreme law of the country.

That is why the Fox government, says Castañeda, chose as the “second axis” of its foreign policy, a “new activist deployment of our country in regional and multilateral fora,” which he pompously calls “multilateral bilateralism.”

Beyond NAFTA: Castañeda’s End of Sovereignty

In the December 2001 issue of the magazine *Nexos*, Castañeda writes that “the world is establishing the new norms and rules” that will have to orient “the process of change.” The two world wars and the failure of the League of Nations, he lies, led to the conclusion that “a world composed solely of unrestricted sovereignty, led inevitably to war.” From that conviction emerged the United Nations and its Security Council, granted powers to “restrict the sovereignty of states” in matters relating to peace and international security, although “the international system continued to base itself almost exclusively on the sovereignty of the state.” The basic premises of the Treaty of Westphalia continued to prevail: “the exclusive action of the states in the international arena, and the full sovereignty of each state within its territory.” With the end of the Cold War, the tendency toward universal jurisdiction “began to prevail.” Now, the “formation of a new system of international relations, based on universal rules and norms,” which must impose themselves above national sovereignty, has begun to take shape. . . .

“Some would perhaps have preferred that the international system of the 21st Century be established on the basis of principles of non-intervention, the juridical equality of states, and rejection of the use of force,” says Castañeda, with a perverse pleasure, but the reality is that the new rules “are more interventionist than non-interfering; particular, rather than general; concrete, rather than abstract.” Therefore, the new Mexican government, Castañeda confesses, has decided to involve itself “in the multilateral process of codifying the new rules of the international system.” Not to understand and accept his decision to dismantle national sovereignty and hand the country over to the domination of “universal fascism,” according to Castañeda, is “intellectual conformity.”

To facilitate Mexico’s transition from a sovereign nation to a satrap of the “global empire,” Castañeda and his masters and political operatives need an exemplary case through which they can impose international law as the supreme law

of the national judicial system. That is the case of the trial of former President Luis Echeverría Alvarez.

The new Mexican identity of which Castañeda speaks, faces obstacles. The most important of these is that “Mexican society still has to fully understand the enormous advantages that can be derived from adopting the idea of a North American Community.” Castañeda laments the form in which Carlos Salinas de Gortari negotiated NAFTA, that he did not inform the population of the profound changes implied by the agreement. . . .

A Program for National Development

Faced with this as the current policy of the federal government, we must see what courses of action are required to confront this, and find adequate policies for genuine national development.

As Mexico is still a republic, in its Constitution and in its secondary laws, the juridical instruments and economic planning tools for constructing a future other than being the mere territory for housing slave-labor manufacturing plants, known as *maquiladoras*, do exist.

The nation’s public universities, for example, have produced, apart from such renegades as Jorge Castañeda, many technical cadre committed to the general welfare of the nation. To many of these, we owe the historic tradition of engineers and scientists who are nation-builders. This tradition of Mexican engineering has produced absolutely feasible ideas for the economic development of the nation, on condition that we defeat the servile attitude of asking for crumbs at the back door of the slavemaster’s home, and instead rescue the dignity of our Republic.

With the natural and human resources this country possesses today, and building the necessary infrastructure works, Mexico could sustain a dignified living standard for 750 million Mexicans. Subsequent scientific and technological development would permit that population to be sustained at even better living standards, and eventually for an even greater number of Mexicans. Mexico is still not yet entirely built.

The necessary projects have already been planned by the current of nationalist Mexican engineers, such as Don Pedro Moctezuma, Manuel Frías Alcaraz, Pablo Tapié Gómez, Cliserio González López, among others. . . .

The Southeast Development Project

There currently exist, already constructed on the Grijalva River, the La Angostura, Chicoasén, Malpaso and Peñitas hydroelectric projects, which were all built between 1959 and 1987. These store 37 billion cubic meters of water, and have an installed electricity-generating capacity of 3,900 megawatts, with an average annual production of 11 billion kilowatt-hours.

To consolidate and broaden the operations of the Mexcala-Grijalva Hydroelectric System, Mexican engineering has designed a score of great new infrastructure works in

FIGURE 1

'Mexico in the Third Millennium'



the basin of the Usumacinta River, which would contribute 11,200 MW (31% of the total current electricity-generating capacity of the country) and would help to control flooding, recovery of inundated lands, and the provision of hydraulic resource contributions to other parts of the region, and would have a direct impact on the intra-state development of the region that includes Chiapas, Tabasco, southern Veracruz, eastern Oaxaca, Campeche, Quintana Roo, and Yucatán.

One of these is the Boca del Cerro project (see map, **Figure 1**), located 10 kilometers southwest of Tenosique, Tabasco. It includes a 135 meter-high dam, which will create an artificial lake containing 19.5 billion cubic meters of water, and a 4,200 MW hydroelectric plant. This complex could generate 17.4 billion kilowatt-hours, equivalent to . . . 67% of the total hydroelectric capacity of Mexico. By combining this with other flood control projects in the region north of Tabasco and southeast of Campeche, a million and a half hectares of fertile land could be recovered for agriculture, grazing, and aquaculture. It would also make possible a river canal

with various branches, which could supply fresh water to the Yucatán Peninsula.

'Tzenvalle' System in the Northeast

In Mexico's northeast, projects would have to be constructed like those which form the "Tzenvalle" system, situated in the Huasteca region of San Luis Potosí state, along the Tamuín River, 21 kilometers southwest of the city of Valles. By regulating and controlling the drainage of the Tamuín and Valles rivers, artificial lakes would be created, and small cities could be constructed on their shores, linked to each other by water transport, where previously there only existed deep and inhospitable canyons. . . .

By optimizing the hydroelectric potential of the Tamuín River, a third of the runoff of the Pánuco River would be regularized, and a total capacity of 1,600 MW provided, which would yield 4.3 billion kilowatt-hours a year. This hydroelectric capacity would play a strategic role in meeting the growing demands for power and energy in the Northeast

and central region of the country. . . .

The artificial lakes created by this system would constitute a valuable reservoir of energy and fresh water, to supply the current future population centers of the country. They would also increase the hydroelectric production by 16.5%, and would facilitate navigation through the Pánuco river. . . .

The new development poles would be the magnets to reorganize Monterrey and Saltillo, and for the relocation of businesses of La Laguna, one of the most critical regions of the country, together with El Bajío and The Valley of Mexico, because of water resource shortages. . . .

There are also detailed plans for the rest of the country. There does not exist a region in Mexico which does not possess great development potential.

The Pacific West Complex

From north of Puerto Vallarta to the port of Mazatlán, one finds one of the best coastal zones of the country with regard to physiographic features and the variety of natural resources for the development of Mexico's food potential. In southern Nayarit, for example, the San Pedro Mezquital and Santiago Rivers empty the Acaponeta River in the center and the Presidio and Baluarte Rivers in the extreme north. Together, these rivers carry an average annual flow, along their 300 km length, of 15.3 billion cubic meters—which, if dammed and administered rationally, would constitute 154.3 billion cubic meters of water, or about 340 cubic meters per second, sufficient to sustain agro-industrial development and new population centers for 110 million Mexicans. Already constructed dams along these Nayarit rivers, and others that are planned, would allow the interconnection, through canals and transfer tunnels, of all the hydraulic networks of the central and northern zone of Sinaloa, and southern Sonora.

Along these coastal areas of the Gulf of Mexico and the Pacific, apart from the management of water for multiple uses, corridors of agro-industrial development could be built, fed by packages of communications infrastructure, high-speed freight and passenger trains, modern highways, fiber-optic "highways," and high-tension grids for transmission of electrical energy. The development corridor could be conceived as one gigantic assembly line for connecting a city and its surrounding agro-industrial zones.

Similarly, other development corridors have been proposed, with the same characteristics, that would run "transversely," from the coasts of the Gulf of Mexico to the coasts of Mexico's Pacific. . . .

If we build this polygon of development corridors, we will not have to beg at the back door of the slavemasters. Mexico will be able to build its own destiny. We have the resources, the intellectual capacity, the technical cadre—albeit reduced at the moment—all waiting to be tapped. With these, we could establish the basis for a new generation of development. Putting this revolution in basic economic infrastructure into gear, we could achieve the development goals that would give Mexican families opportunities for decent

jobs and for a dignified life, instead of entering into the human grinding mills known as *maquiladoras* and/or illegal emigration to the United States.

To carry this development strategy forward, we need to defeat Jorge Castañeda's political plan. This is the plan of those currently in power. We are still on the other side. My proposal is thus to develop a campaign of political attack. We have the forces to attack on this flank and to put an end to Castañeda's imperial design by exposing him for what he is. Castañeda laments that Mexican society doesn't yet understand the advantages of his annexationist policy. What I believe is that, if we let the population know what this policy truly is, the Mexican people will be ready to defeat this annexationism, because they still want to continue to be Mexican. . . .

To launch this political assault of ours, we will publish a pamphlet with all these elements of information and analysis, which must be broadly distributed and debated, above all in the universities. The students intuit, or know, that under the current policy, they have no future, that their fate is unemployment, misery, and the dustbin of history. The youth, the students, must fight for their future. That future is national economic reconstruction, beginning with the construction of basic infrastructure works. If the youth present at this meeting attract more youth to these ideas, we will be on our way to victory.

Sérgio Tasso Vasquez de Aquina

Sovereignty, Security, And National Dignity

From the speech by Vice Adm. Sérgio Tasso Vasquez de Aquina, former Deputy Chief of Staff of the Brazilian Armed Forces, at the seminar on Aug. 23.

. . . The aspiration for freedom is a gift of God, given to all human beings, and which is transmitted to the collective conscience of people who seek self-determination and their own means of carrying out their national mission; to be masters of their destinies, without accepting foreign servitude, limitations, and interference. . . .

The creation of the state is a political construct of nations, with the essential attributes of being one people, with one territory, and sovereignty. And from this sovereignty comes the incontestable right to exert force over their geographic jurisdiction, with due respect internationally for the principles of juridical equality among states, the right to self-determination, and non-intervention in the internal affairs