

JOSÉ LÓPEZ PORTILLO (1920-2004)

‘They Can Never Forgive Him For Showing Courage’

by Dennis Small

It was altogether fitting and proper that the Mexican LaRouche Youth Movement (LYM) take upon itself the task of paying final respects, on behalf of U.S. Presidential candidate Lyndon LaRouche and his political associates, to former Mexican President José López Portillo, who passed away on Feb. 17 at the age of 83.

At the wake in Mexico City, a LYM delegation placed a floral wreath bearing the simple legend: “For His Patriotism. LaRouche Youth Movement,” and sang “Oh, Freedom,” the song made famous as a battle hymn of Martin Luther King’s civil rights movement, and since adopted as an anthem by the LYM internationally.

The youth explained to appreciative family members of the ex-President and to others, that they did this to pay proper homage to this patriot—who waged war against the IMF system in his effort to industrialize Mexico and build a New World Economic Order—and to demonstrate that “the nationalist fighting spirit of Don José López Portillo would continue to live on in us” (see page 15).

It was fitting, because López Portillo, over the period of his 1976-1982 Presidency, grew to respect and admire U.S. statesman Lyndon LaRouche (with whom he met personally on May 23, 1982), and the movement of youthful Mexican patriots associated with LaRouche, in whom López Portillo saw the best hope for Mexico’s future. As the ex-President himself put it in an exclusive *EIR* interview 16 years later (see below): “As President, I had a relationship with Mr. L.H. LaRouche of respect for his solidly independent and tenacious ideological position, which I share in large measure, largely because of the adherence he had achieved from a group of young Mexicans, whom I equally respect and admire.”

And it was proper because, in that moment of song, three

courageous figures of the same, older generation—José López Portillo, Lyndon LaRouche, and Martin Luther King—were brought together as if to further their shared mission on behalf of human dignity and freedom, through the youth of today.

Also fitting, if one understands its significance, was the predictable torrent of bile and filth which issued forth from the press outlets of the international financial oligarchy at the news of López Portillo’s death. These are the same financiers whom López Portillo had enraged by suspending foreign debt payments in August 1982, and then declaring exchange controls and nationalizing Mexico’s banks in September 1982, and whom he had driven thoroughly mad by *openly associating with Lyndon LaRouche*—not only back in 1982, but over the next two decades until his death.

For example, the *New York Times* of Feb. 18 lied that, under López Portillo’s government, “Mexico set off a worldwide debt crisis”; and that he was “one of the most incompetent leaders of Mexico’s modern era, and his government among the most corrupt.” An AP wire published in the *Washington Post* the same day painted a picture of López Portillo as a total failure, who was booed and ridiculed after he left office. And the London *Guardian* of Feb. 20 described López Portillo as “probably the most heartily despised former president in Mexican history,” because of “his free-spending ways, along with rampant corruption.”

The *New York Times* article expressed particular outrage that the former President “remained unrepentant about his conduct,” telling the *Times*: “I would do everything over again exactly the same.” Of a similar tenor were the statements issued just days prior to López Portillo’s death, by the daughter of one of Mexico’s most powerful private bankers,



José López Portillo, President of Mexico from 1976-1982, enraged the Anglo-American financial oligarchy by nationalizing the banks and imposing exchange controls in 1982. A friend and collaborator of Lyndon LaRouche, he continued to fight for a new, just economic order after his Presidency.

Bancomer's Manuel Espinosa Yglesias; she accused López Portillo of allowing foreigners to take over Mexico's banks by nationalizing them in 1982—a curious argument, indeed. She wailed at what López Portillo had done to her father, and demanded that he apologize: "I want a press conference, something, I don't know exactly what."

Issue Is Argentina . . . and Brazil

Lyndon LaRouche characterized this wave of obituaries and retrospectives on López Portillo as "filthy lies," character assassination whose real intent is to scare off any other country—such as Argentina—from acting today as López Portillo did back in 1982: breaking with the IMF, and bringing LaRouche into that battle, publically.

"López Portillo's role in 1982 typifies the potential of the Argentina situation today," LaRouche explained; Argentina's President Néstor Kirchner is threatening to default on a \$3.1 billion payment due to the IMF on March 9, rather than subject his country to further deadly looting. Such an Argentine move could set off a wave of defaults by other debtor nations, which would bankrupt the entire IMF system. LaRouche noted that the media are taking the former President of a neighboring country and defaming him with lies—and in the process trying to destroy the very institution of the Presidency in Mexico—not only because of Argentina, but also because of Brazil, and Mexico, and the entire bankrupt global financial system.

The synarchists running that system intend to impose

genocide and dictatorship on the world in order to maintain political control, and will brook no opposition—especially if it has to do with Lyndon LaRouche. That is the reason, LaRouche concluded, that these same synarchist circles are blocking LaRouche's inclusion in Presidential debates and similar events.

The current Argentine crisis brings the issue into sharp focus. Over the past five months, there has been a significant *shift* in U.S. policy, and that of the other G-7 nations (Britain, Canada, Germany, Italy, Japan, and France), in support of the "witting intent to commit genocide" in Argentina, as LaRouche put it in a Feb. 12 statement. The shift involves the following.

In September 2003, the United States and the other G-7 nations pressured the IMF to sign a deal with Argentina to avoid the international debt blowout (and its own demise) that would have ensued had the country defaulted on a \$2.9 billion payment due to the IMF. They did this, despite the fact that the Argentine government had not reached an agreement with its creditors over \$99 billion in public bonds defaulted on in December 2001. In response, the "vulture funds" involved in Argentina let out a howl of protest against this supposed capitulation to Argentina by the IMF and the United States, because the Argentine government was only offering them 25% of the face value of their unpayable bonds. The vultures are speculative financiers who specialize in buying up the depreciated bonds of countries that have defaulted, or are about to, for a couple of pennies or dimes on the dollar. The

vultures then demand payment of the *full face value* of the bonds, and threaten to sue to seize that government's assets. They specialize in literally picking over the dying carcass of impoverished nations in distress—thus, “vulture funds.”

But unlike last September, the United States and the G-7 now are backing the vultures completely. In early 2004, the IMF was instructed by the G-7 to *refuse* to lend Argentina the next tranche of money it needed in order to meet its \$3.1 billion obligation to the IMF on March 9. The IMF complied, and blacklisted Argentina although the Kirchner government had met all of the austerity guidelines previously negotiated with the Fund: budget cutbacks, layoffs, and so on. The only thing the Fund accused the Argentine government of, in fact, was failure to “negotiate in good faith with its creditors”—i.e., they hadn't agreed to butcher their economy and population in order to satisfy the blood-lust of the vultures! *The American and other G-7 governments have thus transformed themselves into debt collection agencies for the most extreme, and rapacious, speculative capital.* As LaRouche had warned, the deranged bankers now will stop at nothing to turn Argentina “into another Auschwitz.”

In fact, military action is now being overtly threatened against Argentina and any nation that doesn't comply. For example, the Jan. 30 *Wall Street Journal* carried an article by Americas Page editor Mary Anastasia O'Grady, which reminisced that “In the 19th century such a massive debt moratorium might well have provoked a military attack. Gunboat diplomacy—sending troops to reclaim assets from deadbeat sovereigns, was an acceptable practice.” The Feb. 18 edition of London's *Economist* magazine suggested the same: “Without an army to back it up, a creditor will find most of a sovereign state's assets out of reach.”

Argentina is of course not alone in facing such a crisis. Neighboring Brazil, the largest economy in Ibero-America and the biggest debtor in the entire developing sector, will be looking down that barrel as well in 2004. In 2003, Brazil was able to avoid debt default by a series of fortuitous circumstances whose chances of being repeated this year are next to zero (see article, page 22).

‘With Balls, My Friend’

Wherein lies the only real danger to Wall Street and the City of London? That, in the face of such crises, world leaders and politicians find the courage to act as did Mexican President José López Portillo; that they do so, as he did, in concert with Lyndon LaRouche; and that they maintain that courage in the face of all threats and adversity, as López Portillo did.

Consider the López Portillo record, as we document it in the pages that follow. After his bold actions of 1982, López Portillo left office and adopted the traditional silence of former Presidents in Mexico. But he never backed down from what he had done . . . or whom he had done it with.

More than 12 years later, López Portillo finally broke his public silence, because Mexico had “fatally collapsed in the

face of the worst vices of capitalism: speculative and sterile capital.” In a pair of press interviews in early 1995, López Portillo defended his actions as President: “We achieved an interesting period of development of Mexico; we doubled our industrial plant, we created more than 4 million jobs—and I maintain, in Mexico, to govern is to create jobs.” And he again pronounced: “Speculative finance is vicious, and did us no good. . . . It goes around the world ruining countries, as it just [in 1995] ruined ours.”

Three more years later, on Sept. 8, 1998, López Portillo wrote an article in the daily *El Universal*, in which he said: “Despite the years, and the fact that we have been the good students of the International Monetary Fund, our problems remain unresolved. . . . It is time that we advance, . . . ordering world production, and not remaining subject to monetary demands which, fatally, subdue and oppress us. . . . Think about it. I said it as President; I repeat it now as ex-President.”

And on Sept. 9 and 10, 2002, on the occasion of the 20th anniversary of his historic bank nationalization, the Mexican daily *Excelsior* ran a lengthy interview with the ex-President. A humorous exchange occurred when López Portillo was asked about the fact that the majority of Mexico's banks are today foreign-owned:

“Is it difficult to recover the banks?” *Excelsior* asked the man who had nationalized them.

“Of course.”

“But, how can they be recovered?”

“With a new expropriation.”

“But we don't have a nationalist President, as when you expropriated the banks in 1982. How can it be done now?”

“With balls, my friend. From that standpoint, I do believe I was [a nationalist].”

As for the LaRouche question, López Portillo was uncompromising. As he put it succinctly, in remarks made after listening to the keynote address given by Helga Zepp-LaRouche before the Mexican Society of Geography and Statistics in Mexico City, on Dec. 1, 1998: “It is now necessary for the world to listen to the wise words of Lyndon LaRouche.”

When LaRouche was finally able to return to Saltillo, Mexico in November 2002, after a 20-year absence from the country, he spoke by phone with his old friend and fellow warrior. LaRouche had the following to say about López Portillo in an interview with television host Arq. Héctor Benavides during that visit:

Q: Twenty years ago, you were in Mexico. What do you see as important changes in those 20 years that you were not here?

LaRouche: Well, I've been here in spirit and mind, very closely observing everything. I have some very dear friends, including the former President, López Portillo. We still think together! We remember what should have happened. We would like to do it. Not for me, I'm not a Mexican. But it's a beautiful idea. And he's a beautiful person. . . . In 1982, with

the attack on Argentina and Mexico, they moved in like vultures on the bankrupt nations, to *loot the nations*. . . .

Q: Can what happened in Argentina happen in Mexico?

LaRouche: Sure it can! Fast! All you have to do, is have the dollarization of the Mexican debt, and have the kind of thing that's being applied to Brazil now, in Mexico, and you'll have a complete wipe-out of Mexico. . . .

Q: What do we do to avoid that?

LaRouche: The solution is essentially political, and of leadership. . . . In Mexico, you have a reservoir that I know of, of leadership, a core of leadership which, if mobilized, does have the intellectual capacity to play that kind of role.

It's typified by López Portillo; typified by the intellectual capability within Mexico and in its institutions, with what López Portillo attempted to do between August and October of 1982. . . . You had a President of Mexico who had an understanding of natural law, history, a Classical mind. And many people around him as well.

Q: Nevertheless, the image that exists of him is that he was a corrupt President.

LaRouche: This was the idea of the liberals who tried to destroy Mexico in 1982. . . . That's their attitude toward López Portillo: They can never forgive him for showing courage.