

## EIR **Special Report**

# Mexico: a \$100 billion neighbor

by Robyn Quijano

The Mexican republic, rich in oil, population, and the political will to rapidly become a fully industrialized nation, is a \$100 billion neighbor—not, despite the Malthusian propaganda of the Carter administration, a dangerous horde of excess workers poised to revolt or invade the United States.

The same institutional forces that ran the Carter administration intend to prevent Mexico at all costs from becoming “a Japan on our border,” in the words of Zbigniew Brzezinski. Henry Kissinger, who has personally decreed that Iranization is the fate of any nation that decides to industrialize too fast, and his friend Alexander Haig, are determined to force Mexico to give up its aggressive drive for economic development—thereby, through slower growth, actually deepening the preconditions for Iranization.

But there exist greater possibilities for a change in U.S.-Mexico relations than Alexander Haig would wish. The pre-inauguration meeting between Ronald Reagan and Mexican President José López Portillo in January gave both leaders the hope that relations between the two neighbors could be transformed. There was a sense of good will that has since been somewhat poisoned by the maneuvers of the secretary of state. Yet the relationship is still to be defined when the two presidents met in Washington next month.

Our Special Report this week is intended to be a weapon in the hands of American businessmen, labor leaders, and other constituency spokesmen whose livelihood depends on a new kind of U.S.-Mexico entente, based on oil-for-technology deals that will assure the rapid industrialization of Mexico and a U.S. boom in high-technology industries.

We present here excerpts from the conclusions of a just-completed program, “The Industrialization of Mexico, 1980-2000,” developed by the New York-based Fusion Energy Foundation (FEF) and the Mexican Association for Fusion Energy (AMEF). This study, based on the LaRouche-Riemann econometric model (developed by the *Executive Intelligence Review* in collaboration with the FEF) challenges the basic assumptions of all the other well-known econometric studies of Mexico, which uniformly claim that oil income is inflationary, that rapid industrial growth leads to social instability, and that petroleum exports should be limited lest the Mexican



Richard Meilou/Sigma

"Miguel Hidalgo," a Petroleos Mexicanos refinery in the state of Hidalgo.

economy become totally disrupted by its new wealth.

The program specifies a sharp expansion of oil exports and domestic consumption, and an average 11 percent annual growth rate for tangible output.

The program you will read in detail below, and the economic method on which it is based, are now being fiercely debated among the economic planning elite of the public and private sectors in Mexico. As we go to press, the author of the LaRouche-Riemann method, economist and *EIR* founding editor Lyndon H. LaRouche, Jr. is in Mexico as the featured speaker at the annual week-long International Symposium on the Economy, sponsored by the Monterrey Institute of Technology and Advanced Studies (ITESM).

### Teaching the 'science of technology'

LaRouche will tour Mexico for 10 days, presenting the Mexican program and the economic theory, or "science of technology," that underlies it. In the process, LaRouche intends to demonstrate both the fraud of the Wharton model and the danger of Friedmanite thinking in any guise for the future of a developing nation like Mexico.

This trip will be the high point of over a year of activity in Mexico by the FEF and AMEF. Dr. Uwe Parpart and Dr. Steven Bardwell have been invited to Mexico numerous times to present the program and the LaRouche-Riemann method. Dr. Bardwell was recently invited by the Mexican Petroleum Institute to present the model at a conference on econometrics.

The debate and the educational process that have involved hundreds of engineers and planners over the

past months culminated in a conference sponsored by the FEF and the AMEF on Feb. 19 and 20 in Mexico City.

The 150 participants at the conference represented eight Mexican government ministries, numerous private sector firms, banks, educational institutions, and research groups. Dr. Parpart and Dr. Bardwell of the FEF and Cecilia Soto, Patricio Estévez, Dr. Luis Abreu, and Jorge Bazua of the AMEF presented the results of the LaRouche-Riemann model.

The theses of the FEF program were supported by a presentation from Dr. Alfonso Rozenzweig, director of industrial port development for the President's Office of Special Development Projects, who outlined the present commitment of the Mexican government to construct four huge industrial ports within the next 20 years.

The development program of the Mexican Industry Ministry (Sepafin) was presented by one of the subdirectors of that institution, Narciso Lozano. This National Industrial Development Plan (PNDI) coheres with the growth rates projected by the LaRouche-Riemann model, although PNDI projections only go to the year 1990.

Presentations were also made by Agustin Paulin of the National Council of Science and Technology, and Alfredo Heredia of the Mexican Petroleum Institute.

The conference's dramatic demonstration of the incompetence and actually subversive nature of the low-growth rate, appropriate technologies policy of the World Bank and International Monetary fund, as well as the model results, went well covered in the Mexican national press, expanding the development debate to every corner of the nation.