Dateline Mexico by Josefina Menéndez

IMF to blame de la Madrid?

The same population-control fanatics that forced the 85% peso devaluation in 1982 are now forcing a drastic new one.

In early 1982, the International Monetary Fund, Bank for International Settlements, Probe International, Wharton School, and then-World Bank president Robert McNamara launched the operation to "Iranize Mexico," forcing the López Portillo government to drop its plans to industrialize Mexico and devalue the peso. They then orchestrated an international campaign blaming the administration for the catastrophe.

Today, the same voices repeat the same litany: Crush Mexico.

During the first ten days of May, on the eve of Mexican President de la Madrid's trip to the United States to meet with Ronald Reagan, total economic warfare broke out. Not only did the *Wall Street Journal* print a provocative article against the peso in early May, but in the same days the international creditors' cartel met secretly and decided to raise interest rates (See *Economics* lead article, page 4).

These actions have provoked a new round of capital flight in Mexico and are forcing the devaluation of the peso. It is already in progress in the north, along the U.S. border. According to the *Journal,* the Bank of America refused to sell dollars in Mexico City and got out of the market. This was interpreted immediately as "fear for the fate of the Mexican peso."

Internally, Mexico has responded in two ways. From the patriotic side, Ricardo Cavazos, the head of the Finance Committee of Congress, blamed the *Journal* for provoking capital flight. And on May 8, top labor leader Fidel Velázquez charged that more than $1 million illegally left the country in recent months. He urged the government to take tougher measures.

But the boosters of Mexican destabilization let no grass grow under their feet. On May 7, a big headline in the evening paper *Ultimas Noticias* blared that the Mexican peso was at 200 to the dollar at the border (the official rate is 175). That night, the TV news on the official Channel 13 carried denials of a new devaluation.

Fanning the panic, Chamber of Commerce vice president Fernando Canales Clariond said May 8 that "the dollar fluctuations at the northern border are the result of the uncertainty and distrust motivated by the disturbance during the May Day parade" (when grenades were thrown at the President's reviewing stand). He admitted that there may have "even been some capital flight over the border."

The Mexico City financial press is churning out articles on the peso devaluation in the northern states and the frantic activity in Texas and California money exchange houses.

The anti-Semitic columnist of the daily *Excelsior,* José Pérez Stuart, called for opening the border to imports and speeding up devaluation. The right-wing business paper *El Heraldo* wrote that "history is repeating itself. . . . The phenomenon is presented now with the same character as under the last government, an insufficient devaluation and a drastic increase in the money supply. . . . But as yesterday, the authorities are never going to tell us that the peso is at its limit until the day they take the decision to fix it at its real parity. This has happened in the past, and now there are similar things going on."

In a March 1982 special report on "Mexico After the Devaluation," *EIR* published several interviews documenting the real motives of the conspiracy—the determination in Anglo-Saxon "Establishment" circles to decimate Mexico's population.

Robert McNamara revealed in one of those interviews that he was eager to sabotage U.S. export industries in order to drive Mexico into backwardness: "When Mexico overvalues the peso, then it can afford to import too much high-technology capital intensive goods from the U.S. They also pay wages that are much too high in the oil sector, which seeps into other industries and causes inflation. The devaluation will encourage instead less imports and more self-reliance on more labor-intensive jobs."

George Ball, senior partner at Lehman Brothers Kuhn Loeb investment house of Wall Street, said that high interest rates for Mexico mean "a slowing of their rate of growth of consumption. Many of these countries are using protectionism to maintain artifically high levels of import consumption and growth. This means a need to slow the unbridled growth of industry in the Third World, which is more than many of these countries can handle. It creates political instability. . . . Overpopulation in the Third World is the single most important strategic issue facing the U.S. today."

History is indeed repeating itself—a political decision has been made to assault the Mexican economy. The only question is whether de la Madrid will accept, as López Portillo did, the consequences of fighting against the financial warfare in time.