

López Obrador Takes Office, Promises To Bring About the Rebirth of Mexico

by Gretchen Small

Dec. 6 (EIRNS)—Sworn in on December 1 in the midst of great national excitement, in his inaugural address of over an hour, President Andrés Manuel López Obrador laid out his plans to end thirty years of neoliberal looting of the country, so as to bring about “the rebirth of Mexico.”

His inauguration opens a great moment of opportunity for Mexico and all the Americas. López Obrador was elected, like Donald Trump in the United States and the Conte government in Italy, as part of an international wave of rebellion against the putrid old order crushing the trans-Atlantic world. Under that order, proud Mexico has been stripped of its productive capabilities and taken over, in large part, by the international financiers’ drug cartels, reduced to a nation exporting its people because they cannot survive at home.

AMLO, as the new President is often known, faces a huge fight against hostile international financial interests, to be able to fulfill his promise to retake the country for its citizens—much like his American counterpart, Donald Trump. López Obrador made clear in his inaugural speech that he is acutely aware of his enormous responsibility, citing a young man who told him, on his way to his inauguration: “You have no right to fail us.”

AMLO spoke courageously of how he will work with Mexico’s Army and Navy, which have a tradition of standing by the people, to protect defenseless citizens. And he told tens of thousands of supporters that evening, “There can be no divorce between the people and the government. I need you, because, as [President Benito] Juárez said, ‘with the people everything, without the people, nothing.’ . . . Without you, the conservatives will easily triumph over me.”

But Mexico’s crisis was caused by the dying international system, and its crisis cannot be solved solely within its own borders. To succeed, López Obrador will require a global New Bretton Woods system to be es-



Andrés López Obrador giving his inaugural address in Mexico City on Dec. 1, 2018.

lopezobrador.org.mx

tablished, providing credit for a giant expansion of the New Silk Road which has already begun transforming the globe. His relationship with U.S. President Donald Trump will be decisive in this regard. As López Obrador wrote to President Trump on July 12, “both of us know how to keep our word and we have successfully faced adversity. We have placed our voters and citizens at the center and displaced the establishment.”

The Mexican LaRouche Citizens Movement (MOCILA) addressed that necessity and Mexico’s role in bringing that about in an “Open Letter to López Obrador,” which it has circulated since mid-September to the country’s Congress, productive layers, policy makers, leading people on AMLO’s team, and the new President himself.

Titled, “China-Mexico-U.S. Economic Cooperation: How to Forge a Global New Paradigm and Rebuild the Nation,” MOCILA’s Open Letter elaborates the strategy and physical economic science of U.S. statesman Lyndon LaRouche, who decades ago had identified

the special world-historical role which Mexico should play in bringing a new economic order into being. Mexican President José López Portillo understood LaRouche and fought fiercely for that strategy in his 1976-1982 presidency.

Today, the MOCILA letter proposes,

Mexico has the historic opportunity to not only join the New Silk Road, but to use its special geographic and historical proximity to the United States to help integrate that country as well with the New Paradigm, through the proposal of triangular cooperation among China, Mexico and the United States to carry out great development projects for all of Ibero-America and the Caribbean.

Such an alliance of the U.S. and China (along with other powers such as Russia, India and other nations) is the only combination of forces capable of permanently defeating Wall Street and the City of London (the British Empire) and building a New Paradigm of universal development and respect for national sovereignty.

Facing the National Calamity

López Obrador gave two speeches on inauguration day. The first was delivered before the Mexican Congress and international guests, and was broadcast live to tens of thousands of citizens gathered in Mexico City's giant Zócalo Plaza; the second he gave later in the day, face-to-face with the crowd at the Zócalo.

In his address to Congress, he framed his program of government as carrying out "the fourth political transformation of Mexico," which, he said, requires ending corruption as the number-one task, to bring about change as radical as Independence (1810), Benito Juárez's reforms (1858-1864), and the Mexican Revolution (1910-1920).



Open Letter to López Obrador from LaRouche's associates in Mexico.

He identified the center of that corruption as the transformation of the Mexican government after 1982 from the post-Mexican Revolution responsibility of the State to direct the economy to serve the common good, into a neoliberal system of robbing the national patrimony on behalf of an elite minority, national and foreign.

The privatizations of national companies carried out under neoliberalism were synonymous with corruption, and totally inefficient, López Obrador charged. He detailed the disaster of his predecessor's energy "reform," which partially privatized the state oil and electrical companies. Mexicans were told it would save the country, bringing in huge investments

to increase oil production to three million barrels a day. Four years later, only 0.7% of the promised foreign investment has come in, and oil production has fallen to 41% of that promised level, 1.7 million barrels a day, with the trend pointing towards a further drop. No new refinery has been built in 40 years.

Before neoliberalism, he told the nation, we produced and were self-sufficient in gasoline, diesel, gas, electricity. Now we buy more than half of what we consume of these products, he said. Mexico has not only become the greatest importer of gasoline of any oil producing country in the world, but it is now importing crude oil to supply the six refineries which have barely



The Francisco I. Madero Refinery, owned and operated by Pemex, Ciudad Madero Tamaulipas, Mexico, August, 2017.



cc/Alexander H.M. Cascone

A new freight railway across the Isthmus of Tehuantepec will connect the port of Salinas Cruz (shown here) on the Pacific, with the port of Coatzacoalcos on the Gulf of Mexico.

managed to survive.

Likewise, Mexico, the country where corn originated, is now the greatest corn-importing country in the world.

He went on: the neoliberal system has been “a disaster, a calamity for the public life of the country.” It has resulted in a tremendous concentration of income in a few hands, while “the majority of the population has been impoverished to the point of being driven to make their living in the informal sector, migrate massively out of the national territory, or take the path of antisocial behavior”—a euphemism for drugs and other crimes.

In the neoliberal period, the purchasing power of the minimum wage in Mexico fell by 60%; Mexican wages became one of the lowest in the world. Lawfully, Mexico has become the second largest source of migrants in the world; 24 million Mexicans now live and work in the United States, he pointed out.

What Is To Be Done?

López Obrador proposed to his fellow citizens that the most severe and efficient means to end corruption, is “to do everything we can to abolish the neoliberal system and to subject its representatives to trial or summary judgment.”

How to replace the neoliberal system, is where the problems and difficulties enter.

López Obrador committed his government to take actions to reverse poverty, so that “those who are born poor are not condemned to die poor,” and so that millions of Mexican youth no longer fall into the category of “neither-nor’s,” youth who neither study nor have jobs. For the latter, he spoke of ensuring adequate wages for 2.3 million youth who shall be hired as apprentices, of offering ten million scholarships for all levels of school-

ing, and building 100 public universities.

He called for building projects from the south to the north of the country as the way to make “migration optional, not obligatory.” Two of those he specified for southern Mexico are critical for overall national development: building a new oil refinery in state of Tabasco and constructing a freight rail line across the Isthmus of Tehuantepec, connecting the port of Salinas Cruz on the Pacific, with the port of Coatzacoalcos on the Gulf of Mexico.

The Tabasco refinery, combined with the repair and upgrading of Mexico’s six existing refineries and government investment in oil production, can make Mexico self-sufficient in oil and gasoline again, he said. The Tehu-

antepec railway and expansion of the two ports it connects, will serve to connect the countries of Asia with the East Coast of the United States in less time, he said, and around it will be a corridor where lower electricity and gas prices and tax subsidies will be offered for industries and job creation.

Although he did not spell it out, the long-proposed Tehuantepec railroad today is a key project for Mexico’s participation in the global Belt and Road Initiative.

How exactly his proposal to turn a 25-kilometer wide swath along Mexico’s nearly 2,000-mile northern border with the United States into the world’s largest free-trade zone, with lower energy prices, value-added and income taxes, and a higher minimum wage, will work, however, remains to be seen. So far, discussion has focused on enticing investment into building more of the low-wage



A typical low-wage duty- and tariff-free factory (maquila) in Mexico.

assembly plants (*maquiladoras*) made notorious under the North American Free Trade Agreement (NAFTA).

Extraordinary Opportunity for the Americas

The new President's priorities are clear. "It is not permissible ... to defend the State's power to rescue bankrupt financial institutions and consider it a burden when promoting the well-being of the neediest is sought," he told the nation. However, in order to succeed, López Obrador will have to broaden his approach.

In September, the President-elect warned supporters that the country is "bankrupt." Yet he insisted in his inaugural speech, as he had throughout the electoral campaign, that everything he intends to accomplish can be paid for out of the money saved by ending corruption, cutting the salaries of high-level bureaucrats, selling off the Presidential plane, etc. He promised to not take on any new debt, to spend only what the government has in its coffers, and to not touch the "autonomy" of the banker-run Banco de Mexico, Mexico's equivalent of the U.S. Federal Reserve. That would leave his government without control over the financial system, which is owned by the very foreign banks which survive by laundering the profits of the international drug cartels which are killing Mexico (among other nations).

Were he to adhere to the spirit of those two promises, López Obrador's plan for national renewal would not succeed. But under a national credit system, and in cooperation with the United States, China, and others for a New Bretton Woods international credit system, it will succeed.

López Obrador made it clear in his inaugural speech that he hopes to work closely with the U.S. President to tackle the enormous problems both nations face. He emphasized that since his election in June, he has been treated with nothing but respect by President Donald Trump. His Foreign Minister Marcelo Ebrard immediately flew to Washington, D.C. to meet with Secretary of State Mike Pompeo; both officials tweeted their satisfaction with the meetings.

Immediately on the agenda, is a regional development plan to resolve the migration crisis. On Dec. 1 in Mexico City, the heads of state of the three so-called Northern Triangle nations of Central America—El Salvador, Honduras, and Guatemala—together with López Obrador, signed a Plan for the Comprehensive Development of Central America, which had been drawn up at a Nov. 23 meeting of these nations' foreign ministers in Guatemala, to address the causes of and solutions to the wrenching poverty and drug-related violence that



U.S. State Dept.

U.S. Secretary of State Mike Pompeo (right) with Mexico's incoming Secretary of Foreign Affairs Marcelo Ebrard.

afflicts the region and causes people to emigrate.

From its side, the U.S. is proposing a plan called "Remain in Mexico," which calls for those seeking asylum in the United States from Central America, to remain in Mexico while their claims are processed, and to be offered employment vital to their being able to remain and live in Mexico. While associations of owners of low-wage *maquiladora* assembly plants have publicly spoken of 100,000 available jobs, the "Remain in Mexico" plan also involves serious infrastructure projects as well, including railroad corridors and particularly the new rail line across the Isthmus of Tehuantepec.

AMLO's government wants the United States to invest in its success, and Ebrard at a press conference has named a figure of \$20 billion over six years from the United States, with Mexico investing as well. Ebrard called it a Marshall Plan for Central America.

Many say that \$20 billion is completely "unrealistic," being much more than current American development and security aid combined. But that is false. The U.S. BUILD Act of 2018 alone authorizes the newly created U.S. International Development Finance Corporation (USIDFC), which supersedes the USAID Bank, to issue Treasury-guaranteed bonds for up to three times that amount, precisely for projects in the developing countries. The North American Development Bank, headquartered in San Antonio, Texas, could also be expanded by legislation or by cooperation with the U.S. Agency for International Development (USAID). The credit can be created and provided.

This is an extraordinary opportunity for the United States to create progress and end violence in the region, and to help its own capital goods industry.