Dateline Mexico by Josefina Menéndez

Wharton goes for the kill

Mexico specialists at the Malthusian economics center want the government to go to the IMF . . . again.

A group of econometricians from the Philadelphia-based Wharton School of Economics descended on this country the last week of January to discuss their latest quarterly forecast for the Mexican economy. Leading the team was 1981 Nobel Prize laureate Lawrence Klein.

Such a visit is not good news for Mexico. Wharton's Mexico econometric studies group (Diemex) has won a reputation as the most dedicated "theoretical" opponent of the 1976-82 López Portillo administration's oil-based industrialization projects. Wharton's forecasts are known here as nothing but apocalytic warnings of an Iranian-style revolution if this country continues its modernization drive.

Wharton in fact is nothing but a British intelligence outpost on American soil; *EIR* has abundantly documented the school's origins as an American branch of the London-based Tavistock Institute of psychological warfare, the mother institution for zero-growth, neo-Malthusian propaganda around the world since World War II.

"Mexico has been ruining their economy and ours," Prof. Lawrence Klein of Wharton told an interviewer last month. López Portillo "went somewhat wild. All along we told Mexico not to become another Iran with too rapid industrialization, but they wouldn't listen." Now, Klein insists, Mexico has no other option than to "comply with IMF conditionalities."

Wharton's latest forecast, which got coverage here in the Feb. 8-14 issue of the Club of Rome-linked *Razones* magazine, is nothing but a warning to the Mexican government not to break with the politically and economically devastating conditionalities imposed by the International Monetary Fund since last September.

The Wharton crowd is very confident that Mexico has relinquished its economic sovereignty for good. "We have our people in the Planning Ministry, and the new government is much more receptive," says Klein. More specifically, Wharton claims to own Planning and Budget Secretary Carlos Salinas de Gortari, and his Undersecretary for Planning, Rogelio Montemayor. Wharton's anti-industrial perspective in the Planning Ministry (SPP) was most recently spelled out by Salinas de Gortari last month when he called for the creation of 100,000 "pick and shovel" labor-intensive jobs in the countryside. Salinas's motto: "Let's put more labor in every peso."

While Montemayor takes care of economic planning, Salinas's Undersecretary for Social Projects, Manuel Camacho (a former collaborator of the magazine *Razones*), applies Tavistockian psywar methods to organize the population around de-industrialization projects. Camacho is an adherent of "integral rural development,,' a labor-intensive development model created by Eric Miller, a Tavistock Institute "sociologist" with valuable connections in Mexican government agencies.

Wharton is known to be working with London intelligence circles on propaganda scenarios aimed at aggravating the international economic crisis which pushed Mexico toward the IMF in the first place. A Klein collaborator bragged to *EIR* Feb. 7 that he worked closely with the London *Economist* on a recent article egging on the drop in world oil prices.

Titled "Cheaper Oil Makes Ya Strong," the Jan. 29 article called on buyers to destroy OPEC by buying "oil in the cheapest market to bring the price further down." "The IMF should in such new circumstances lend Mexico more money, under the same strict terms as before," says the *Economist*.

Wharton is now busily working on a study describing the different degrees of suffering Mexico, Venezuela, Nigeria, and other oil-producing countries will go through under such price declines.

According to a Diemex econometrician, their new forecast is based on the assumption that average oil prices will drop by $6 a barrel. Asked on Feb. 8 about any possibility that Mexico would turn the tables by joining a "debtors' cartel," he offered his guarantee that "Mexico will not be part of this."

Asked about the consequences if London were lose control of its oil-price war and prices went even further down, he declared, "Even if the price of oil dropped $12 per barrel, the Mexicans would not break from the Fund—if anything, that would drive Mexico even further into the arms of the IMF."

The econometrician added, "We project a huge loss of foreign-exchange earnings for Mexico. At least one devaluation would be necessary. The dosage of austerity would have to be far stronger."