

Lopez Portillo: winning labor to a long-term industrialization policy

Speaking to over 1.5 million workers assembled for May Day celebrations in Mexico City, President Jose Lopez Portillo made a direct appeal to the country's labor movement to line up behind his government's economic development policies—despite the fact that they cannot yet provide workers significant direct wage increases.

In discussions with labor leaders on May Day and over the preceding two weeks, Lopez Portillo interceded to maintain wage restraints in current contracts—but he also issued a personal pledge that, based on that restraint, he will keep Mexico's high-technology development effort on course and continue to fight those, both foreign and domestic, who seek to block the industrialization of Mexico. In this direct, and very frank, approach to a potentially explosive issue, Lopez Portillo has set an example of "labor-government alliance" which the leaders of advanced sector countries would do well to follow.

With his call for labor cooperation, instead of confrontation, Lopez Portillo is heading off the threat to turn Mexico's development drive into "another Iran"—a threat voiced by such notables as U.S. Energy Secretary James Schlesinger and Britain's *International Currency Review*. The premise of the "Iran scenario" for destabilization is that Mexico's oil wealth, if used for rapid modernization, will trigger a "class struggle" of the masses of poor left out of the economic boom, and that Lopez Portillo will suffer the fate of the Shah of Iran. The "solution," according to Washington policymakers, is to hand Mexican oil over to a U.S. strategic reserve, and impose austere "slow-growth" policies based on promotion of labor-intensive ventures that "create jobs" and "redistribute income."

The success of the Mexican president's policy of "convincing, not conquering" the labor movement was demonstrated in the settlement of a prolonged strike of state telephone workers, where the government's 13.5 percent wage guidelines had become a volatile issue. The Mexican Communist Party (PCM), which has

significant influence in the union, was agitating to "break the wage ceiling" and force "class confrontation" over a 15 percent wage increase demand. Meanwhile, the PCM's rightist counterparts, the Mexican latifundist and private sector oligarchy tied to the Monterrey Group of businessmen, which shares the PCM's opposition to the Lopez Portillo industrial development drive, are threatening that a new devaluation of the Mexican peso will be necessary if inflation is not contained—i.e., unless workers' wages are not kept low.

The overwhelming union vote May 2 for a 13.5 percent settlement is a strong vote of confidence in the government economic policy, and a powerful "no" to the "right-left" politics of confrontation, which was vehemently denounced by the union head as "only benefit(ing) the (forces of) reaction."

Battle won, but now the war

President Lopez Portillo has won a key battle, but he now faces a virtual declaration of war by Mexico's far right, and fascist Christian layers. Playing off the ultraleftism of the agent-ridden PCM, the ultraright has launched a virulent "anticommunist" campaign that is escalating in intensity with the approach of the July 1 national elections for Mexico's Chamber of Deputies. The PCM's labor agitation, and election sloganeering to "overthrow the PRI," the governing party, has helped generate wild red-scare rumors and hysteria in the press, and from Monterrey-allied business groups, warning of a "communist takeover" of the government.

This McCarthyite upsurge erupted into violence May 2 in the city of Puebla, a traditional battleground between PCM thugs and fascist action groups. The city's walls were plastered with slogans like "Assassins, Mexico is free and Christian," "Christianity yes, communism no, viva Christ the King,"—slogans recalling the Cristero Rebellion in the late 1920s, when fascist Catholic groups launched an armed attack on

the progressive Mexican government and the constitutional separation of church and state. The Puebla violence was preceded by an anti-abortion rally three weeks ago run by right-wing Catholics, where one of the country's leading right-wing bishops delivered a tirade against the supposed "communist menace." This "cristero" revival, and increasingly overt, anticonstitutional church intervention into state politics—the basis of at least one think tank scenario for an "Iran destabilization" of Mexico—was set off after the visit of Pope John Paul II to Mexico in February.

The Puebla violence has spurred an urgent call from two of Mexico's progressive, mass-based parties—the Workers Socialist Party (PST) and Popular Socialist Party (PPS)—for the formation of a broad, democratic "antifascist" front, to halt what they characterized as a "right-wing superoffensive" identical to the destabilization of Chilean President Salvador Allende, who was toppled in a bloody 1973 military coup d'état. Spokesmen for the two parties were clear in identifying the "right-left" scenario behind the Puebla outburst, pinning the blame not only on the ultra-right "Instruments" of the Monterrey Group oligarchy, but on Monterrey's "left-wing" agents in the PCM. The truth of this accusation was borne out in a statement by the leader of the National Action Party—one of two rightist parties implicated in the Puebla violence—praising the PCM as the only good leftist party that has won the right to participate in national elections!

The fascist offensive in Mexico is precisely aimed at destroying the Lopez Portillo government's broad political reform program, which, by permitting the participation of qualified leftist parties like the PST, PPS and PCM in elections, provides an obstacle to the kind of "right-left" civil war with which the Carter Administration has threatened Mexico.

—Mary Goldstein

Lopez Portillo speaks

The following excerpts are from the speech delivered by Mexico's President José López Portillo to the leaders of Mexico's Labor Congress on May 1.

Workers of Mexico:

For the third time during my six-year presidential term I have been present at the march of organized labor in our country which brings to mind that which is truly important in Mexico and reminds those who would forget.

What is important in Mexico is the right to labor and the rights of labor. What we have just witnessed here testifies to that: a representative expression of what our country is at this moment. In this march, a proud expression of our democracy, of our free system, we greet ... the solidarity, the demands, the claims, and all the shouts that need expressing.

Freedom has spoken. The executive and the people of Mexico have heard those who want to be heard, because they have been able to speak. The system guarantees it.

What I want to stress is the interest of the state in maintaining its alliance with labor; to make a maximum effort not to conquer, but to convince.

During this Administration we have lived through three difficult years. As we have recently stated, during those years we have advanced in some areas, while in others there have been and still are forces holding us back.

During the first two years of this Administration, during which we have been able to revive the forces of the economy, the organized labor movement has supported us in total unity. Thanks to that decision, we are able to affirm that in 1978 and 1979 the economy, in its major sectors, has been restored. Don't forget that in the recent history of the world, Mexico is unique as a country which has achieved in only two years an economic growth rate that has gone from practically zero to 6.5 percent.

with our economic development, by no means can we afford to be satisfied with our efforts which must be equally directed to social development, to recovery and restoration in the face of needs which accumulate and are still not met.

If we do not acknowledge this situation, then we are fooling ourselves as well as the Mexican people.

As I have said, there is a breach between the economic development already launched and the social development still to be achieved. And this is the challenge which we must meet in the next few years of

on the state's alliance with labor

consolidation in accordance with a system which contains within it the possibility not only of its own regeneration, but also of its transformation; we must continue our efforts to promote our economic development, but we must also make advances in those social areas whose lack of development is for me so painful.

The Basic Goods Program which I offered to the organized labor movement as immediate and simultaneous compensation for your sacrifice, for the restraint of your wage demands—I state with all honesty—we have not been able to meet fully for many reasons. Though these reasons could be explained, they would not satisfy you.

We do not want to feed the people with explanations but with genuine satisfaction. And this is the effort we must make in the next few years of consolidation which will enable us, once our oil revenues start coming in, to accelerate the development of the country.

I am not selling hopes. I am affirming real expectations that are in sight and within reach. The important question is to not lose the rhythm or miss a step; to understand that the government's intentions are an honest effort in good faith to seek equal advances, as much as possible, for all the factors that influence our progress....

When the Labor Congress honored me with an invitation to this march, which has surpassed all my expectations, I replied that very shortly I would return the invitation so that, together with the government and once economic conditions are propitious, we can commonly plan with other forces that agree on the development of the nation the dimensions and characteristics of our decisions.

In a very short time, compañeros, we are going to call on you to say what we can and want to do, with the intention of making major advances in our backward social development which is the worst burden of conscience that afflicts us.

On this march, an expression of will and of mutual respect, there have been certain things to which I would like to refer.

Here are the telephone workers who, in a disciplined review and out of respect for our institutions and for themselves, have marched in an ordered if demanding

way. To them, before the Workers Congress, to you, Hernandez Juarez and compañeros who are present, I want to say that this fight which has been artificially presented as a fight between a wage increase limit and the prestige to be gained by breaking it, is not a mere whim of the government—as one banner suggests. And I am sure that it is not a whim to you either. Rather, there is a painful recognition on the part of the government of the Republic that unfortunately, at this time, the general problem of social and economic

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development of the country will not be resolved by the easy road of wage increases.

For me, representing a revolutionary party with a revolutionary tradition, it would bring revolutionary glory to be able to decree that sufficient wealth existed to raise wages such that all the demands of all the organized groups could be satisfied. I would be covering myself with temporary revolutionary glory. It would be beautiful to be able to decree not only a 25 percent wage increase but 45 percent, and pensions at 25 years of age. But I would be fooling the workers and people of Mexico.

At this time, the problem cannot be resolved this way because, in the case of the telephone workers, compañeros of the Workers Congress, wages must be defined within a general policy for all state workers, or it would not be democratic.

The State is doing all it can do at this time and can not do more at the risk of unleashing a still worse inflationary process through excessive money supply and disproportionate public expenditures, which ... would cause more harm than benefit. Such an unreflexive and irresponsible concession would simply cause illusions.

It is very painful for me to say this, Hernandez Juarez, but expression of my good faith as a ruler.

The State, as you know, has made every effort to balance the buying power of wages without shocking

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the economy; it has restructured the tax regimen so that wages, thus unburdened, can strengthen the buying power of the workers. ...

We are seeking a means, not by wages but by loans, benefits, to achieve as far as we can what is our conviction and our aim. I want to convince you of this.

If we want anything it is to satisfy our allies, the workers, but I must still do what I believe is my duty to stabilize the country and not allow what we have achieved to be converted from progress into regression.

Let us travel, *compañeros*, on a good road. I understand your impatience and I share it: you all have the legitimate right to demand the satisfaction of your goals. I know that this moment is unjust, not just for you but also for those worse off than yourselves. I know that Mexico is still a land of need, but she will not become a land of abundance by decree or by demagogic and illusory decisions. Unfortunately, wealth cannot be invented; it must be created. The question is finding a balance between the elements of production. Inflation is only resolved by production, with productivity, taking advantage of the savings the country generates and which will come to us through the expectations of the resources already in hand.

I ask you, *compañeros* of the Labor Congress, to share this analysis of our situation, this projection of our goals, to have the certainty that the government of the Republic is not the workers' enemy, even though the present situation places us in an ambivalent situation, as with the telephone workers, of being the boss and the authority. We are faced with a difficult situation in which only moral strength, conviction, can give us the authority to draw a balance between the aspirations of organized labor which can and should demand its rights, and a system which guarantees, in the general interest, open access to social justice.

This has been the secret of the advance and progress of our nation. This difficult balance has not always been achieved; this difficult balance which, in moments like the present, we want to see achieved with the help, yet again, of all the workers of Mexico....

We call on the telephone workers to understand the situation this country is in. If we disrupt the—until now—harmonious and cooperative action on the part of the labor sector, we run the risk of losing our

economic development, or annulling all our expectations.

I ask you to maintain confidence that the decisions of this administration are not to harm the telephone workers, who are not our enemies. I admire and agree with their struggle, and I would like to fully satisfy their demands; but to do so would mean to violate commitments already agreed to by other workers to whom we would have to give identical concessions. Not to do so would be undemocratic. If we made those identical concessions—and we could not do otherwise—we would disrupt the present economic momentum, with grave risks that I do not want to see our country threatened by.

This, *compañeros*, is the simplest and most honest explanation of the ambivalent position of the State which is both boss and authority, and which must maintain sufficient moral authority to ground its decisions, to be able—as I said a moment ago—to convince and not vanquish.

Hernandez Juarez and fellow telephone workers: we want to convince you that the decision of the government is not unjust. It is a painful decision based on genuine limits the country presently faces.

The years of consolidation ahead will be difficult years, for as I have said on other occasions, they will be thankless years, years in which we will have to do what we are doing now: making conciliations so as not to lose what we have gained and to be able to continue the national progress.

Therefore I call for your understanding. I recognize the right of all Mexican unionists to pose their questions. I ask you to recognize in me the intellectual honesty to tell you the truth about the decisions this government makes.

To all of you, *compañeros*, many thanks: to those who have expressed their solidarity with us, to those who have understood us and applauded us, and to those who on this occasion have felt free to say what is on their minds, what bothers them, what they demand. Many thanks to the workers of Mexico for this exemplary May Day, which is an expression of liberty, of democracy, and of the pluralism that Mexico hopes to preserve forever.