

Dateline Mexico by Josefina Menendez

Behind the business-government spat

A faction of business seems to have wanted to polarize the political atmosphere.

Charges of excessive government interference in the economy, whenever sharply voiced by business leaders here, cause tremors of a very particular nature to run through the political circuits. Such charges almost inevitably raise the specter of the bitter feuding between business and President Luis Echeverría at the close of his term in 1976.

So, observers here perked up their ears in early October, when a volley of criticism of the government's planning programs and role in the economy issued forth from several business leaders. The most deliberately evocative of the 1976 period came from Pablo Gerber, the head of the Mexican Employers Confederation (Coparmex) in Jalisco. Gerber told a blue-ribbon government and private-sector audience Oct. 13 that "the socializing tendency of the previous presidential term has come to the fore once again. . . . Black clouds are gathering which foretell a stormy period."

EIR looked into the case, and soon traced the boomlet of attacks back to the offices of the Center for Economic Studies of the Private Sector (CEESP), which recently issued a study recommending the "Chilean Model" of Milton Friedman as a cure-all.

Working back a little further, we discovered that the most recent marching orders for the CEESP had come from a September closed door meeting of the Mont Pelerin Society. The meeting was held in

Palo Alto, California.

Mont Pelerin is the premier private intelligence network of the alliance between London monetarists and the European oligarchy, formed around Vienna School economics at the end of World War II.

The stars at the September gathering reputedly included Milton Friedman, British industries minister Sir Keith Joseph, Bill Simon, and Fritz Machlup of the IMF's "Group of 30." Several countries—including Mexico—were singled out as special targets for campaigns to reduce economic growth with policies sold under the "anti-inflationary" label. The direct transmission belt for the order to Dr. Ibañez, director of the CEESP, was via his close friend, Mont Pelerin member and participant in the Palo Alto meeting, Agustín Navarro Vázquez.

The boomlet was soon brought under control by other members of the business community. One of the most forceful statements came from José Pintado Rivero, director of the number-three banking conglomerate in the country, Comermex. In a rare public call, Pintado Rivero declared that there was more than enough for both business and government to do. "We must not distract ourselves in concepts or positions or hints of conflict. These supposed conflicts are nothing but small feelers to awaken political questions."

The phrasing was an unmistak-

able allusion to the intensifying jockeying around Mexico's presidential succession, to be decided next year.

Observers see the attacks on the government as part of efforts by particular factions to polarize the political spectrum between labor and the state on one side, and the business community on the other. Translated into the presidential sweepstakes: between Labor Minister Pedro Ojeda Paullada, and Budget and Planning Minister Miguel de la Madrid.

In probably the most significant follow-up effort on the part of the "polarizing" crew, the wily chameleon of the *Excelsior* stable of columnists, José Luis Mejías, suddenly opened fire in late October on state-sector steel boss Jorge Leipen Garay. Mejías accused Leipen of taking a whopping \$12 million bribe from the Monterrey Group steel giant, HYLSA, in exchange for giving HYLSA the contract for direct reduction technology to be installed in Stage II of the government's Pacific Coast Sicitarsa plant.

By attacking this contract, Mejías was taking aim at one major advance in the government-business "Alliance for Production" program to be chalked up in the last years.

Mejías, however, failed to back up his charges with more than the observation that Mexico would do better to export all its natural gas—the basic input for direct reduction—to the United States and import coking coal for the alternative blast furnace technology in Mexico. With Mexico's nationalism particularly aroused around the gas issue after the famous Schlesinger debacle, it was hardly an argument to find many followers.