

Dateline Mexico by Josefina Menéndez

The economic crisis and the border

No place is harder hit, with serious political consequences including a revival of "free zone" schemes.

Excelisior newspaper sent one of its star reporters to Ciudad Juarez on the central U.S.-Mexico border during the third week of August to report on the economic trauma in the region following Mexico's Aug. 5 introduction of a two-tiered exchange rate and the Aug. 12 freeze on dollar accounts. That correspondent is normally dispatched to distant hotspots, Argentina, for instance, during the Malvinas War. This is one indication of how volatile the border situation has become.

On the U.S. side, retail business plummeted as Mexicans no longer had dollars to bring with them on shopping sprees. More serious, the huge speculative real-estate bubble in the Southwest, extending from the border itself up to cities like Houston and San Diego, suddenly had one of its largest props knocked out.

The economic picture on the Mexican side made the U.S. side look healthy. For years the economies of the various sister cities along the border have become so mutually interdependent that a large proportion of basic food and other consumer needs for the population on the Mexican side were satisfied with imports from or purchases in the United States. The unit of currency was the dollar.

With the sharp drop in the peso's value at the beginning of the month, bringing it down toward 90 to the dollar on the free market from the 49 to the dollar, Americans swarmed across the border and bought up everything in sight, including supermarket goods that had originally been imported from the United States. It was a buying bon-

anza that spurred Mexican shopowners' turnover as well. But it left Mexican consumers panicked, with many basic goods simply unobtainable.

Different political groups are already attempting to exploit the situation. The Committee of Public Defense (CPD), a terrorist-tinged Maoist grouping, controlled by exponents of the "theology of liberation," is "capable of something ugly" in a demonstration planned for Aug. 29, say observers in Ciudad Juarez. There may be plans to vandalize stores whose shelves are now bare, I am told. The situation has also proven to be a political bonanza for the opposition National Action Party (PAN). The PAN, whose leadership and ideology trace to fascist European oligarchical circles (see *EIR*, Aug. 10, 1982), has long exploited the border region's sense of isolation from "the center" in Mexico City, as well as its more middle-class economic profile, which means that the population is less integrated into the PRI party, to build its strongest machinery anywhere in the country.

The week of Aug. 15, PAN organizers in Ciudad Juarez in the state of Chihuahua joined with groups in the local Chambers of Commerce to begin a series of street marches against the government's economic measures. In the state of Sonora, on Aug. 22, Hermosillo Archbishop Carlos Quintero Arce unleashed a national furor with a call for an anti-government insurrection. Quintero Arce, who was instrumental in the PAN electoral triumph in Sonora in the national elections July

4, called on the Church "to fight . . . like the Church in Poland" against an "immoral and corrupt system which has lost the confidence of the people."

In a particular play to regionalism and incipient separatism along the border, he assailed "the center" which was "strangling" the outlying areas.

Also making political hay from the crisis is the binational faction attempting to create a free zone along the border, a step toward ultimately slicing that area away from sovereign control by either the United States or Mexico, on behalf of the drug-running and terrorist networks already in place along the border.

In early June, Nuevo Leon governor Alfonso Martínez Domínguez dispatched a large delegation of Monterrey businessmen to San Antonio, at the invitation of San Antonio Mayor Henry Cisneros, to work out a plan to link the two cities in a giant "free zone." Mexico's contribution to the arrangement would be primarily cheap energy and cheap labor—a classic "Hong Kong" scheme that has been repeatedly rejected by the Mexican government.

The San Antonio get-together featured closing remarks from Robert Kreuger, Carter's special liaison for Mexican affairs, and a vocal advocate of a "common market" among Mexico, the United States, and Canada. Kreuger promised the Monterrey visitors that Mexico could replace Japan as America's number-one trade partner provided it devalued the peso further, ended its protectionism, and relaxed restrictions on foreign investment: in short, returned to the status of a colonial enclave.

In the wake of the August economic shocks, there is even not-so-idle talk surfacing in border towns like Laredo of asking to be annexed to the United States.