

## Dateline Mexico by Josefina Menéndez

### Labor puts Hernández on the hot seat

*Will the commerce minister be the first to fall in Mexican Workers' Confederation drive against the IMF?*

**T**he two million-strong Mexican Workers' Confederation (CTM) has put its campaign against the International Monetary Fund into gear and picked a vulnerable target—the new commerce minister, Hector Hernández. Hernández, the man in charge of imposing the front end of the austerity the IMF

hitting the most sensitive area in the daily lives of the workers and peasants who make up the institutional base of the government PRI party—prices.

The official magazine of the CTM, *Cetemista*, came out blasting Hernández as soon as the Commerce Minister began in early January to carry out one of the conditionalities the IMF posed in return for a pitifully inadequate credit line to Mexico. Dutifully obeying the IMF's

commerce minister removed price controls on all but a handful of products, and allowed substantial increases in the prices of the rest.

*Cetemista* did not mince words. "With notorious haste and blitheness bordering on the reckless, the officials of the commerce ministry have begun their terms [of

of generalized freeing of prices. . . . [This complacency, complicity, and interest in seeing to the perpetuation of a Dark Ages economic structure."

Simultaneously, a leading CTM economist, Porfirio Camarena, opened fire on the proposal, resurrected under IMF prodding, that Mexico join the General Agreement on Trade and Tariffs (GATT). As all politically in-

formed circles in Mexico know, it was Hector Hernández, as undersecretary of commerce in the previous government, who negotiated a preliminary deal with GATT and fought for it until the moment when then-President López Portillo definitively quashed the deal in March 1980 as a peril to Mexican sovereignty.

A third tactical move against the commerce minister came when CTM president Fidel Velázquez started a parallel distribution network for basic food and consumer items, outside the normal stores. The network is to be made up of the existing government Conasupo stores, augmented by special outlets at factories, in parks, and new worker-run stores.

On Feb. 8 Hernández and his top aides met with the presidents of the congressional economic oversight commissions in what was supposed to be a closed-door session. As the journalists were shooed out, one enterprising reporter for the Centro radio chain left a tape recorder in an empty seat. The recorder picked up highly compromising exclamations from Hernández, who said that "it would be an economic illusion to think of freezing prices or of even the possibility of sustaining them during the agreed-upon time periods."

The next day, all hell broke loose. Hernández's statements were in the lead headlines of every newspaper. Velázquez and the other labor leaders were "furious," according to well-informed political columnists; a strong faction in the CTM wanted nothing

less than Hernández's resignation.

Velázquez told the press that "now there is no option for the working class other than demanding a general wage increase." But a wage increase would shake the whole structure of the IMF's plan to bleed the economy and unleash desperate social forces against the ruling institutions.

The veteran labor leader sent a message to President de la Madrid himself, warning that labor's allegiance was stretching thin. "We do not know if [Hernández's] statements came from officials above him or not," warned Velázquez. But "the commerce minister is the man responsible for this area." Even such veiled criticism of the usually untouchable figure of the President sends off shock waves here.

Making the labor movement even angrier is the official inflation figure of 10.9 percent for January, which the Bank of Mexico released in mid-February. Asked how this squared with the calculations by labor and business economists that inflation is actually a phenomenal 29 percent, Velázquez answered drily that "their facts are different from ours; ours are true."

The latest element of the IMF package under attack is interest rates, which the IMF than inflation. The CTM began saying in January that such a policy motes the establishment of a rentier economy" in which production is sacrificed to usury and speculation. The CTM leadership in Sonora has launched a campaign devoted to lowering interest rates. In

of February, the CTM nationally began the formation of "Committees of Civic Action" to force the Bank of Mexico to roll back the leap in mortgage rates which had just been decreed, from 11 percent up to 39 percent.