

Dateline Mexico by Héctor Apolinar

The PRI and economic policy

The party does not like the pro-IMF dictatorship of the "economic cabinet," but will it do anything about it?

The Revolutionary Institutional Party (PRI), Mexico's dominant party, will convene an emergency meeting of its national, regional, and local leaders of the whole country, with the aim of discussing the grave economic crisis Mexico is undergoing, and to propose an alternative economic policy to the one being implemented by the so-called economic cabinet of President Miguel de la Madrid.

The meeting will take place on May 22-24 in Mexico City, and according to information received by *EIR*, the PRI will criticize the current economic policy which is based on paying the foreign debt at the cost of sacrificing the national economy, and will propose as an alternative that Mexico dedicate only 25% of its export revenues to foreign debt payment.

The PRI leaders, led by the party chairman, Adolfo Lugo Verduzco (a man very close to Miguel de la Madrid), have constantly clashed with the views of the economic cabinet members, the "troika" headed by Treasury Secretary Jesús Silva Herzog, Budget and Planning Secretary Carlos Salinas de Gortari, and Miguel Mancera, president of Central Bank, who demand that the party leaders and government bow to the policy of financial and economic shrinkage.

This has produced an enormous discontent among the ranks of peasants, workers, and the middle class who are active inside the PRI. One electoral official of the party privately commented, "What are we going to tell our members if they have no mon-

ey to go to the movies?" The situation has allowed gains by the anti-government parties led by the alliance of the National Action Party (PAN) (the former Nazi party of Mexico), and the Unified Socialist Party (PSUM), the former Communist Party of Mexico.

In addition, the financial policy has turned into a political dictatorship which extends not only over the "governing" party (sic) but also over the legislative branch of the federal government. The PRI majority in the House and Senate of Mexican has no power to censure the actions taken by the economic cabinet, which is under the Executive branch of the government. Moreover, these economic cabinet officials are not and never have been party officials.

The extreme case of this process of dictatorship was manifested during a forum of consultation and analysis on the foreign debt convened by the House of Deputies last November. The first consultation sessions resulted in an across-the-board rejection of the debt payment policy of the government by civic groups, and organizations of industrialists, farmers, economists, and so forth. The consensus was that Mexico should put a ceiling on the debt payments, as is being done by the government of Alan García in Peru.

Only two hearings were held and then they were abruptly suspended, without explanation. According to what the organizers of the sessions had announced, the results were supposed to be presented to President de la Madrid, who would decide what actions

to take on the basis of the consultation. However, that day will never come, because the hearings were cancelled under pressures from the treasury secretary and his agents in the House, such as Dep. Luis Orci Gancara, who represent the viewpoint of the creditor banks within the national political apparatus.

In fact, going in exactly the opposite direction, late last year the treasury department presented a bill to set up dollar accounts inside the national banking system, which would be against the law because of exchange controls. However, despite the serious irregularities which were committed, the House was convened for an extraordinary series of sessions in March only to approve the bill to open dollar accounts—even though some PRI congressmen were against the measure.

Such goings-on have produced rumblings of discontent inside the PRI against the aforementioned cabinet members and the pro-International Monetary Fund stance of the government. Privately and in public, the President of Mexico has been presented with a replacement of that economic policy by another which would stimulate economic growth, and hence, a replacement of the officials which have been carrying it out.

If the PRI comes up with an alternative policy to the present one, we will probably see the sun set on the power of Jesús Silva Herzog and Carlos Salinas de Gortari. That, in turn, would eliminate them from the heated contention for President of Mexico when the next six-year term comes up for election, in 1988.

If instead, the PRI backs down as it has up to now, then Mexico will enter a period of economic and social chaos. And the PRI will have sealed its own doom.