

Dateline Mexico by Carlos Méndez

IMF imposes 'African' conditions

The government has fired doctors and hired witch-doctors to pay the debt, an austerity time-bomb for social explosions.

More than 10,000 witch-doctors, potion makers, and midwives have been contracted by Mexico's public health service to provide health care in rural areas. It proudly announced March 14 that these practitioners of "traditional medicine" would staff public health centers without charging the government anything for their services.

More than 70,000 real physicians are now unemployed in Mexico, the union representing workers at government employee medical centers reported March 11. Mexico's public health budget has been reduced to less than half what it was in 1982, in real terms, with the savings transferred to help pay more than \$15 billion annually in debt service. For the past several years, the government has driven skilled professionals out of its health services mostly by reducing pay scales to below the level required for mere survival.

The results of the degradation of health care are beginning to be quantifiable. More than 2,500 Mexican mothers die annually of preventable causes, due to reductions in maternal health care programs, Dr. José Luis Bobadilla, the director of the Public Health Research Center, declared March 9. He said that, for the same reason, 87,500 babies of over 28 weeks gestation die *in utero* each year.

The billions of dollars the Mexican government has saved each year by eliminating price supports to farmers and food subsidies to consumers also harm the physical well-being of Mexico's 82 million people. Today, 60 million of them have incomes which

"cover barely 30% of the food requirements as set by the basic market basket," the daily *El Economista* reported March 15. The daily attributes the growing poverty to the incomes policy imposed by the government in the name of "reducing inflation."

The Mexican government brags to its foreign creditors that it has "gotten away" with this brutal compression of living standards. It is proud Mexico has not yet experienced an explosion similar to the riots which swept a much less impoverished Venezuela when similar measures were begun. Mexican elites point to the border with the United States as an "escape valve" for the most ambitious of the desperate people. But the Bush administration is trying its best to seal the border. In Caracas 1,000 people died; in Mexico's experience at social explosion, its 1910-17 Revolution, a million died.

Some people think that a major factor in preventing the outbreak of anarchy has been the hopes for change kept alive by opposition leader Cuauhtémoc Cárdenas. Cárdenas, the defrauded winner of last year's presidential elections, has held the high ground of legal solutions to Mexico's nightmare conditions.

In a March 9 speech at the Tlatolco housing project, the site of student riots in 1968, Cárdenas focused on the \$110 billion foreign debt on which Mexico has been crucified. He demanded that the government "chose the path which takes the foreign debt burden off the back of the Mexican people. It has lost them more than 70% of their salaries, [and caused] 8 million workers to be unemployed and

greater economy dependency."

He said he was calling "not only for a moratorium, for suspending payments so as to pay them later on—that might be the path—but we want the legal path to be chosen, not—once again—the one which violates the law."

Cárdenas explained that part of the \$110 billion is legal, and must be paid, and part is not and must not be paid. He recalled that "the Constitution establishes that debts may only be contracted if they are for productive activities and the nation's economic growth. But those debts contracted to pay interest are debts which both those who contracted them in Mexico and those who provided them abroad knew were debts given to the country against its will. We have no obligation to pay that part of the debt."

He demanded the government provide full "transparency" on the old debt, including "who were the intermediaries who benefitted with the negotiations" and on the new terms Mexico is about to set with its creditors. The Mexican citizens must debate whether Mexico should privatize state companies and hand them over to foreigners and whether Mexico should open its borders to cheap imports. He argued that any agreement would not be viable without first winning a referendum.

In a press conference March 15, Cárdenas urged the government "take those initiatives needed to achieve concerted action with other indebted countries in debt renegotiation." He concluded, "It could happen that the government would reduce or suspend debt payments—out of incapacity, because it has carried the country into bankruptcy—not out of a sovereign decision. It should say: I am going to stop paying, in order to be able to grow and improve living conditions, because there is no other remedy."