 by Carlos Cota Meza

James Baker hails 'Mexican model'

Pronasol, which Baker calls a "quiet" revolution, is wrecking the political institutions of the nation.

James Baker, the U.S. secretary of state, declared during a visit to Mexico Sept. 10-12, that he intended to "make mention of the Mexican process both to the developed nations as well as to those nations which are carrying out reforms and to those which are making revolutions to establish a free market economy. . . . Economic reforms are truly revolutionary," he said, adding that the changes in Mexico have been as "dramatic" as those of the Soviet Union, only "quieter."

Several European newspapers immediately denounced Baker's endorsement of an economy which has at least 50% of the population living in abject poverty, noting that the revolutions in eastern Europe are in explicit rejection of the economic conditions Mexico is suffering today.

But the secretary of state was not referring to this not-so-hidden side of Mexico's "structural reforms." What Baker was exalting was the *controlled disintegration* of the Mexican economy by the government of President Carlos Salinas de Gortari, supposedly carried out with the political support of the Mexican people. The key to this "support" is an institution called the National Solidarity Program, or Pronasol.

Pronasol is the official program of the Mexican presidency, designed supposedly to "combat extreme poverty," and endowed with a budget managed at the discretion of President Salinas himself. The investments made by the program are directed primarily to the most marginalized and poverty-stricken zones in the country. Thus, the beneficiaries of Pronasol are the Indians, the poorest peasants, and residents of Mexico's most squalid urban areas.

But Pronasol enhances the President's powers while bypassing the other institutions of government. Further, its projects explicitly exclude any investment in the physical economy, and only provide social services corresponding to the most minimal subsistence needs of these marginalized sectors.

Because of the extensive propaganda for Pronasol, it is difficult to determine the source of its funds. Given its nature, it could be financed by World Bank allocations to "appropriate technology" and projects. According to the Mexican government, Pronasol is financed by capital obtained from Salinas's ambitious program of privatization of the state sector.

What is certain is that Pronasol is the Salinas government's great coverup for the continued imposition of International Monetary Fund austerity policies, while presenting to the world the appearance of popular support.

Carlos Rojas Gutiérrez, the director of Pronasol, maintains that the program will have invested some $3 billion between 1989 and the end of 1991. The figure is absurdly low if compared to that obtained from the privatization of such state sector companies as Teléfonos de Mexico and seven of the 18 nationalized banks—some $12 billion, all supposedly tucked away in an illusory Contingency Fund. At the same time, service payments on the foreign debt for the first half of the year reached $6 billion.

These striking contrasts between "the battle against poverty" and the macro-deals of privatization and foreign debt payment could be the reason why the Bush administration is so excited by the Salinas de Gortari government.

But Pronasol is something else besides, and it is this "something else" which has led Baker to recommend Mexico as a model. Through Pronasol, Salinas is destroying the traditional institutions of the Mexican government. He is forcing the dissolution of the political parties, the trade unions, and the peasant organizations. He is dismembering the pact between federal and state government and, what is perhaps even more important, he is dismembering the mechanisms by which the necessary budgetary investments are made for maintaining the national economy as a single, organic whole.

Budgetary allocations for the states and municipalities are in total disarray. Today, 80% of the municipalities are forced to negotiate their needs directly with the presidency, and state governments are dubbed "oppressors," if not "corrupt."

According to a report of the Budget and Planning Department, 59.6% of the money allocated to "physical investment" in the first half of 1991 was done so under the auspices of Pronasol, that is, by instruction of the presidency directly.

Recently, a high-level official of the presidential office hailed the government's "new spirit," with which "Salinas de Gortari won" the recent elections. Jorge Alberto Lozoya Legorreta, technical secretary to the President's foreign policy cabinet, said that Pronasol "is a sign of the President's daring," and that with it, Salinas "bypassed the government itself, the bureaucracy, and the political parties."