

## Dateline Mexico by Carlos Cota Meza

### 'The PRI document' vs. free trade

*The current economic model "will lead the population to throw us out of power," 255 PRI congressmen warn.*

**O**n Jan. 11, a bombshell dropped during a meeting of the national leadership of the governing Institutional Revolutionary Party (PRI) with PRI federal congressmen, held to discuss "other matters." A document, signed by 255 PRI deputies, was suddenly presented to the president of the PRI, Santiago Onate, which urged the party to end its support of the "neo-liberal," i.e., free-trade, economic model.

The document—which immediately became the top international economic news item—demanded that "the State return to the practice of dirigist economics." The congressmen declared that they are opposed to "the stubborn technocrat who has not been able to understand, that the blows of the fight against inflation, the exchange rate policy, and the lack of an industrialization policy, could lead the population to throw us out of power."

The document, known only from media glosses, came out of a series of forums held to prepare the PRI's 17th National Assembly, for which no date has yet been set. According to reports, PRI congressmen have held forums in which more than 150 speeches have been given, and some 550 proposals made. The document is one of the results of this process.

The new economic model needed, according to the 255 PRI deputies who endorsed the document (there are 296 PRI deputies), is one which must take up reactivation of the economy and job creation as its top priority; and bring about, in the short term, price stability, a lowering of interest rates, exchange rate stability, and achieve a favorable trade balance.

Although the document does not explicitly criticize the International Monetary Fund, nor outline in-depth solutions capable of generating a genuine economic recovery, it is, nonetheless, a hard slap at the policies of the free trade tribe of the PRI, the opposition National Action Party (PAN), and the so-called "private initiative" advocates. These layers are counterattacking with charges that the PRI document calls for "a return to the past," that the PRI is "responsible for the fall of the stock market on Jan. 12," that the document "does not represent the view of all the deputies and senators," etc.

The free trade crowd has reason to worry. The PRI letter reflects the broader political ferment in the country, which, as some commentators have already noted, raises the possibility of a situation developing such as that which occurred recently in France, where trade unions, agricultural producers, and industrialists staged a nationwide general strike against the "neo-liberal" policies of the government of Alain Juppé.

In Mexico, the already-famous "PRI document" continues the split which developed in the Chamber of Deputies during the debate over the government's proposed reform of the Mexican Social Security Institute, which sought to privatize the pension funds of workers affiliated with it, as well as certain other social security services, all based on the infamous Chilean model of pension privatization. During the debate, a majority of the PRI deputies, led by the trade union representatives from the Mexi-

can Labor Federation (CTM), joined by some PAN deputies (some of whom, such as Sen. José Angel Conchello, publicly labeled Newt Gingrich as "the new Führer" of the United States), refused to approve the new social security law, creating so much political tension that the President of the Republic had to personally intervene to get the law passed.

The growing trade union opposition to "free trade" policies was also apparent in the latest statements by the veteran head of the CTM, Fidel Velázquez, who announced that labor's economic agreement with government and business, known as the Alliance for Economic Recovery, "has ended, due to the increase in prices which steadily worsens the situation of the workers. It is now up to the economic cabinet to work out a proposal for establishing a cost-of-living escalator for wages."

Carrillo Zavala, another leader of the same federation, stated recently: "The last thing we want to think about, is the possibility of a social explosion," but, he warned, the critical economic situation is evident, "which we can only face with the decided participation of the State."

For his part, President Ernesto Zedillo told a meeting of the CTM executive committee, "I have instructed the members of the economic cabinet, together with the representatives of labor, to explore new paths which permit a gradual, but constant, recovery of the buying power of salaries." Zedillo will inaugurate the National Congress of the CTM in February 1996.

The merit of what is now known as "the PRI document," and of the CTM organizing, is that they have named the beast. But the political, economic, and social situation of Mexico is far worse than even that which their statements reflect.