

Dateline Mexico by Hugo López Ochoa

No surprises for the banks

Labor warns against continued submission to the banks by the next administration, but Mexico's creditors aren't worried.

The Mexican Workers Confederation (CTM), the most powerful labor federation in the country, warned President Miguel de la Madrid and leaders of their own party, the ruling PRI, that "either Mexico moves ahead on the road of peace, democracy, progress, and full independence toward a just and free society, or the nation and its people will open themselves up—in the not-too-distant future—to the abyss of violence, of sterile anarchy, of dictatorship, of the most unjust social oppression, and of subordination of the nation to foreign domination."

This warning is contained in a document delivered Aug. 29 by CTM head Fidel Velázquez, to President de la Madrid and PRI President Jorge de la Vega Domínguez, for inclusion in the government program of the PRI presidential candidate in the 1988 elections.

The document denounces the standing policy of open doors to speculators, denies that there exists an "economic recovery," as the President and his economic cabinet have insisted, and maintains that "the reactionary forces . . . believe that the moment for their assault against power has arrived," and that these forces—the narco-bankers—"already pose a serious threat to national development, the public health of the Republic, to the morale of the people, and against sovereignty and the [1910] Mexican Revolution."

Velázquez timed the delivery of

his document for publication on Sept. 1, the day of the historic fifth State of the Nation address by the President. The document constitutes an open challenge to de la Madrid's insistence that there will be no change in the austerity policy for paying the debt over the year remaining to his administration. "In addition to unemployment and decline in purchasing power, the present economic model presents evidence of obsolescence and decay," the CTM says.

The declarations of Velázquez, prominently covered in all the national press, rivaled those of Finance Minister Gustavo Petricioli, who put out the official line that "the crisis that threatened social peace is now under control." The CTM document argues that the debt "should not be paid at the cost of the priority interests of the people and the nation."

The PRI will be releasing its government program for the 1988-94 period on Sept. 22, after which it will release the name of its presidential candidate.

This is the first time since 1929 that the ruling party of Mexico will try to impose a program on its presidential candidate, before deciding officially who that candidate will be. This is because President de la Madrid and the group of oligarchs, known as the "revolutionary family," who have ruled Mexico during the past five years, are committed to meeting payments on Mexico's \$100 billion foreign debt during the next six years.

The creditor banks want to be certain that the next President of Mexico will not pull a surprise debt moratorium out of his pocket—as former Brazilian Finance Minister Dilson Funaro did—nor adopt the so-called Peruvian model of allocating only 10% of export earnings to paying the foreign debt.

In his presidential address, de la Madrid reiterated his pledge of submission to the banks. "We don't wish to declare economic war against the world," he said. His report was a detailed recounting of the "structural changes" achieved during his government: open doors to the multinationals' slave-labor assembly plants, which produce only for export; export of anything and everything that could be ripped out of the land, such as mining, agricultural and fish products; tourism; and the dismantling of the state sector companies. All to pay the debt.

As a result of this policy, and the brutal austerity of the past year, Mexico has managed to accumulate nearly \$16 billion in international reserves, which—according to de la Madrid—will be used only for "moderate growth," so as "not to jeopardize what has been achieved so far."

During the last weeks of August, the PRI hierarchy decided to reveal those six members of the de la Madrid cabinet who are considered the leading "hopefuls," through individual "sales presentations" to the PRI executive. While not all of these are viewed as the bankers' stooges, each one gave credibility to the lie of the Mexican "economic recovery," as assurance to the bankers that no surprises lie in store for them.

It was hardly a surprise that, despite belonging to the national executive of the PRI, CTM leader Fidel Velázquez refused to attend any of the pre-candidates' presentations.