

## Dateline Mexico by Josefina Menéndez

### Labor puts the IMF in check

*Labor wage increase demands are called "an ace" in government efforts to resist IMF austerity.*

**T**oo many ominous events are coming to a head and too fast," wrote the Mexico City-based English-language *Excelsior* Oct. 19. The daily pointed to a mid-October call by labor boss Fidel Velásquez for a general strike Nov. 1 as the crucial factor in a coming final showdown between the López Portillo government and the International Monetary Fund.

Velásquez's powerful CTM labor confederation and several independent unions are now demanding a 50 percent wage increase—a figure much higher than the IMF is likely to accept as a precondition for a \$4.0 billion dollars financial package now being negotiated with the López Portillo administration.

Velásquez's move has been widely deplored here by proponents of a deal with the IMF such as Mont Pelerin Society spokesman José Pérez Stuart. In a column for the daily *Excelsior*, Pérez Stuart complained that "while Fidel launched the strike threat, the government was telling the IMF that it would not accept salary restrictions because of the pressure of the labor movement hanging over it."

In an interview with the magazine *Proceso* in October, Velásquez in turn explained that if labor leaders don't lead the mobilization for a salary increase, "we will be bypassed by the workers." Labor seems to be determined to get a hike which at least begins to approach the soaring 90 percent annual inflation rate.

The labor-government anti-IMF "conspiracy" was also seen earlier in

October when López Portillo sent a decree to the Senate making a 30 percent increase in the minimum salary obligatory for all businesses. The decree got Senate approval Oct. 20.

*The News*, the English-language outlet of U.S. factions influenced by British intelligence channels and a loyal IMF fan, nervously pointed out that labor's fighting mood could strengthen López Portillo's hand to make further dramatic anti-austerity measures before leaving the presidential chair Dec. 1. Images of López Portillo giving "surprises" such as the Sept. 1 nationalization of the private banks, now haunt monetarist circles such as *The News* and Pérez Stuart. Fresh in their minds is President Luís Echeverría's 1976 expropriation, days before leaving office, of vast latifundia.

These circles reluctantly admit that Velásquez's call for a general strike is a "master move" to link up Mexico with moves by other Ibero-American countries to jointly renegotiate their foreign debt.

According to Pérez Stuart, the head of the PRI ruling party, Pedro Ojeda Paullada, an ally of Velásquez' from the 1976-1981 period when Ojeda was labor minister, was sent to coordinate this renegotiation strategy with other Ibero-American leaders at the Oct. 10 presidential inauguration of Hernan Siles Zuazo in Bolivia.

Timed with Velásquez's strike call, Ojeda's mission was "to avoid an accord with the IMF and instead look for a global one, in which all the continent's debtor governments will par-

ticipate," declared Pérez Stuart. Days later, Siles Zuazo called on the presidents of the Andean Pact countries to meet early in November to jointly renegotiate their countries' debt.

Beyond the Nov. 1 general strike deadline, political circles here point to Nov. 20, the anniversary of Mexico's 1910 revolution as the day when nationalist forces around López Portillo could make a decisive anti-IMF move. That is three days before the Nov. 23 expiration of Mexico's 90-day deferral of payments of principal on its \$80 billion foreign debt agreed upon by the country's creditors in late August. Some of these bankers are saying that if an IMF agreement has not been signed by that time, they will demand that Mexico pay up.

However, with no credits coming in, the same sources report, this country will be unable to pay. The stage, then, is set for a possible fullfledged debt moratorium, perhaps in coordination with other debtors in the continent.

Bankers in London are already sounding the alarm. Mexico seems to be "drawing out" negotiations in order to get concessions, said the British *Financial Times* Oct. 16. Private banks are beginning to feel "acute concern."

López Portillo, meanwhile, seems to be ready to give some further surprises in the last days of his administration. In statements and speeches around the country recently, he has made clear that he will ensure Mexico's economic and political sovereignty in any negotiations, be they with the IMF or with the private banks.

At a meeting with businessmen in the state of San Luis Potosí Oct. 16, the President pointed out that "even though there is little time left," his government will "take the decisions that we can still take to resolve the problems that still confront us."

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