

Dateline Mexico by Hugo López Ochoa

Pots and pans for Mexico

As the country braces for the presidential succession, the financial oligarchy is making its bid for control . . . or chaos.

Mexico's Finance Ministry issued an official bulletin on Aug. 10, which announced that "thus far" the fate of \$16 billion worth of international reserves held in the Bank of Mexico had not yet been determined, and that "at the present time a broad range of possibilities regarding the best application of said reserves is being studied."

"Said reserves" are the product of Mexico having exported everything, abandoning imports, and sinking the economy in the worst depression of the century. The question of whether they will be invested in a program of minimal economic growth through the end of Miguel de la Madrid's presidential term in 1988, or used to "guarantee" the principal on Mexico's \$100 billion-plus foreign debt, has become the central issue of the presidential succession fight.

In mid-1986, President de la Madrid asked for more sacrifices from the Mexicans, in exchange for a "recovery" in 1987 and 1988, so that there would be no break with the International Monetary Fund. But the bankers now say that there can be no recovery, that it would be dangerous and inflationary! The monetarists in the government, grouped around Bank of Mexico dictator Miguel Mancera Aguayo, and the directors of the three major exchange houses in the country, intend to translate their financial power into political power capable of imposing the ruling PRI party's presidential nominee, or to spark financial chaos if they fail.

On Aug. 11, the president of the Businessmen's Coordinating Council, Agustín Legorreta, who has been

dubbed by labor leader Fidel Velázquez "the new emperor of Mexico," announced that since 1981, real wages had "considerably deteriorated," as much as 35%. "To seek the recovery of 1981 levels of real wages," he insisted, "is unreal in these times, given the state of our economy." Legorreta stressed that the next President of Mexico must continue the economic policy of the present administration.

However, the "emperor" is playing both sides of the street. On Aug. 12, Mexico City's radio and television announced plans for an anti-austerity "pots-and-pans" demonstration, by the national Association of Housewives (ANAC). ANAC is financed by the same bankers who are closing in on President de la Madrid, and who are controlled politically by the Nazi-communist National Action Party (PAN). On July 29, the president of the Association of Sales Executives, Mario Luis Cortes Mencia—a Legorreta man—declared that "there would definitely not be recovery in the second six months of the year, given that the political excitement is causing uncertainty and lack of confidence. . . . As long as the name of the [presidential] candidate is not known, all investment comes to a halt. One needs to know first who he is and what he will do."

More direct was Juan Sánchez Navarro, a "free market" ideologue linked to the Project Democracy circles of Oliver North, and one of the oldest oligarchs in Mexico: "The past has shown us how rapidly we can lose a country when one opts for populist policies," a clear threat to repeat the

financial warfare run against former Presidents Luis Echeverría and José López Portillo when they attempted a policy of accelerated economic growth.

According to figures released by the Bank of Mexico and the Budget and Planning Ministry, manufacturing production fell 7% from April of 1986 to April 1987. Industrial activity in general declined 5.29%, while gross fixed investment shrank by 11.69%. Capital goods, construction, the automotive industry, and parts and repairs were the most affected sectors. But despite this, Budget Minister Carlos Salinas de Gortari recently launched a big propaganda campaign to insist that "there are signs of a recovery."

The reality is that 50% of Mexicans have not consumed meat or milk for a long time. In mid-1986, the President announced a series of weak initiatives to try to re-start a recovery process, to yield minimal growth rates of 2-3% to keep up with population growth. However, the Finance Ministry has announced that the most Mexico would achieve would be 1-1.5% by year's end. To attain that, the Bank of Mexico on July 31 announced changes in the reserve ratio, to free credit for investment in industry and in agriculture. Also, the rate of daily devaluation of the peso was slightly reduced.

However, nothing can come of this unless the President decides how the nation's reserves will be employed, which also means deciding who will be his successor in the presidency. To calm the panic already begin spread by the bankers, the PRI has announced that it will reveal the program of the next presidential candidate on Sept. 22. On that day, De la Madrid will choose a path for the nation. The name of the presidential candidate will likely be unveiled the next day.