

Poverty, death are cost of Mexican 'solidarity pact' with Wall Street

by D.E. Pettingell

Placing debt service as Mexico's number-one national priority and embracing for five consecutive years "free trade" looting schemes as Mexico's economic goal, have had devastating effects on the Mexican population's standard of living. If the current policies of the de la Madrid administration are not reversed this year, the United States will soon wake up to realize that its debt-collecting policies have been fostering African-style genocide just south of the border—with the ensuing political consequences.

On Dec. 15, the Mexican government imposed upon the population an unprecedented series of draconian austerity measures known in Mexico by the euphemism of "Economic Solidarity Pact." In the three weeks since the signing of the "pact," 10,000 Mexican workers have been laid off in Mexico City alone. Most of the layoffs are from small and medium-sized firms. Private sources believe that in 1988, 82% of companies with 10 or fewer employees will be forced to close down. The government plans to fire 250,000 more in 1988, a year when at least 1 million Mexicans will be entering the job market.

According to labor figures, there are currently 11 million, or 40.74%, of the 27 million economically active Mexicans employed in the "formal" economy. In 1986, there were 8.77 million unemployed, and from January to September of 1987, another 64,000 joined the ranks of the unemployed. Labor sources are warning the Mexican government that unemployment is already the greatest problem facing Mexico.

The new austerity scheme, indeed a "solidarity pact" but with Wall Street, came as the straw that broke the camel's back. Mexico, as one commentator put it, is about to join Bolivia in becoming, from the standpoint of its per capita consumption levels, part of the "Fourth World."

I recently returned from my native Mexico, and the poverty, hunger, and anxiety that I saw people live in goes beyond anything experienced in the past in a country with two decades of steady economic growth. Seventy-one out of 1,000 children die before the age of five from diseases that can be cured, such as intestinal infections, respiratory illness, and malnutrition. Children are not being vaccinated or fed. In some parts of Mexico, one can already see the African

scene of the starving mother trying to breast-feed a dead child.

This is happening when farmers in Sonora and Coahuila are sacrificing high-yield Holstein dairy cows, to sell the meat and cover investment costs. Dairy producers in Sonora told me that milk production is being wiped out and farmers are going bankrupt, forced to destroy what they have built up over years. Today, national production of milk is 7.4 million liters a day; at the end of 1985 it was 12.5 million liters a day.

"We are going from bad to worse. Never, since I was born, do I remember in these areas a crisis such as we are living through. To produce milk is a great risk. Earlier, things had turned into a fight to maintain the cows; now, although production is good, they must go to slaughter to make solvent the expenses of the stable," a desperate farmer said. In Coahuila's Laguna region, the number one milk producing region, 250,000 milk cows were slaughtered in 1987, leaving only 80,000.

The "death pact" was imposed on a loyalist and suicidal organized labor movement which, although it protested and complained, accepted it as "necessary" to overcome the crisis. Business organizations such as Coparmex were among the few groups that welcomed the "pact," since it gives them a free hand to increase prices at their caprice.

The "pact" was presented to the public as necessary to "cut the budget deficit" and defeat the inflationary spiral. But all it will do is starve and kill more people. The prices of 75 basic goods and services went up. Tortillas, the poor's main food staple, increased by 37.5% and bread rolls 26%. Gasoline, diesel, combustible and liquid gas: 85%; telephone: 85%; sugar: 81%; fertilizers: 79%; airlines: 55%; railroad travel: 17.2%. Beverages, health products, and school supplies are also included in the 75 basic goods.

People live in constant fear that an endless cycle of massive and constant price increases is just beginning. In the aftermath of the Christmas holidays, housewives stormed into supermarkets, buying goods to stock up their supplies before prices go up again. Speculation and rumors that the peso will reach 3,000 to the dollar by the end of January were

rampant throughout the country.

Even the perennial shoeshine boy at the corner has increased the price of his work. Asked why, he replied, "Because the dollar went up." "What do you have to do with that?" I asked. He had no answer.

The Mexican government announced Jan. 3 that severe sanctions would be imposed upon those government officials who resist budget cuts or refuse to comply with the "austerity decree."

Meat, a luxury

The buying power of the Mexican worker plummeted between January and October of 1987 by 45.6%, according to the Technical Division of the National Commission on Minimum Salaries, Mexico's tripartite commission representing workers, business, and government. The minimum wage has fallen by 53.3% since 1977, and 10% in just the past year, according to Mexican private academic sources. The daily minimum wage in the south of Mexico is about \$1.85 at the early January rate. In order to buy 1 kilo (2.2 pounds) of meat, a worker has to work 7 hours and 26 minutes. In 1982, a kilo of meat required 2 hours and 8 minutes of labor.

In addition, the government admitted its failure to fight pollution in Mexico City; instead of spending money in an effective anti-pollution program, it opted for a ludicrous measure. As of Jan. 4, school hours in the entire Mexico City area were changed. Now children up to junior high school are not due in school until 10 a.m., by which time, the Secretary of Education believes, the rush hour is over and there is less pollution in the air that could affect children's health. The new schedule has been met with bitter anger by mothers who now face the threat of losing their jobs because their schedule does not fit their children's.

The north does not have the problem of pollution, but has others. Although in the border states, such as Baja California, the minimum wage is a little higher, \$2.45 or 5,645 pesos, there is an abysmal difference between wages on the Mexican side of the border and those on the U.S. side. In the United States, undocumented workers earn 73,600 pesos for an 8-hour day, or \$32; legal workers earn 161,000 pesos a day, or 29 times more than on the Mexican side of the border.

I found that middle-class housewives in the northern states leave their families alone for several weeks, or even months, to get temporary jobs baby-sitting or cooking for American families in the United States. They earn more than if they had worked full time for the entire year in Mexico in a more highly skilled job.

Equally striking, is to see retail stores flooded with foreign-made products from the United States, West Germany, and Japan. Mexico's joining the free market looting treaty known as GATT during the de la Madrid administration has practically destroyed Mexico's consumer goods industry. Braun or Krups German-made automatic coffeemakers are



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A scene in Mexico City.

all over Mexico, as well as American-made household appliances at prices sometimes equal to those in the United States.

As a result of this goods dumping, Mexican energy consumption fell by 1% a year from 1982-86, as measured in kilocalories, for an overall percentage fall of 3.5%. On a per capita basis, the fall in four years has been 12.5%. That it was not worse, is due to the fact that most of Mexico's manufacturing industry turned to exporting in order to survive, rather than shut down.

These indicators of the high social cost that the Mexican people have been forced to pay for the de la Madrid administration's conciliatory policies to Wall Street, is being denounced by increasing numbers of Mexican patriots as genocide and treason.

Will the Mexican people continue to tolerate in 1988 a government that steals from the mouth of the population 57 centavos of every peso to cover the service on both internal and foreign debt? I came back with the impression that it will not. There is a sense throughout the population that 1988 ought to be the turning point, that things cannot go on for much longer. The question is whether changes in Mexico will be peaceful and for the better, or not.