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Dateline Mexico by Hugo López Ochoa

Salinas's highway project is bankrupt

Mexican truckers' rebellion against highway toll robbery exposes the decay of the President's economic model.

A new aspect of the informal economy has emerged in Mexico in the past two months, visible to anyone travelling certain stretches of the luxurious but deserted superhighways that were opened in Mexico last year. At a short distance, but parallel to the highways themselves, legions of children can be seen hauling dirt and filling in holes along passages carved through the underbrush by truckers and others who are refusing to pay the highways's outrageously high tolls.

The tolls were imposed by six private companies to which the government of President Carlos Salinas de Gortari granted concessions to build 4,000 miles of highway during his six-year term. The *New York Times* recently compared the cost of a 14-mile stretch of superhighway between Mexico City and Toluca, where the toll charge is $6.30, with a 148-mile strip of highway in New Jersey, which costs $4.60 in tolls.

The truckers' protest has acquired the characteristics of a national insurrection, and has already incorporated legions of American tourists who participate in highway blockades at the toll booths, as part of the protest. In mid-January, the entire country gave its full support to a truckers' protest on the Mexico-Nogales highway, on a stretch that goes from southern Sonora to northern Sinaloa. Some 2,500 tractor-trailers blocked the highway for five days, to protest a 60-80% hike in highway tolls that had been decreed by the Sonora Congress. The average passenger car was now expected to pay the equivalent of $5.33, and the trucker, a whopping $29.60.

There are sections of the superhighways where drivers have no option but to pass through the toll plazas, and these are the points which are being saturated by protests.

The idea behind the construction of the superhighways was to facilitate cargo transport that would supposedly intensify once the North American Free Trade Agreement (NAFTA) with the United States and Canada was put into effect. The contracting of the work, however, was carried out under conditions of usury reminiscent of the past century. Asphyxiated by its spiralling debt burden, the government was giving away large chunks of its economic sovereignty by granting administration of customs to the creditor banks and exploitation of economic sectors which normally correspond to government oversight, such as infrastructure, to private companies.

To date, scarcely 1,300 miles of superhighway, out of a total of 4,000 miles planned by the Salinas government, have been built, and the whole grand scheme is already falling apart. The six construction companies which received the government concession are all associated with the same banks that took over the country during the era of "savage capitalism," that is, Shearson Lehman Brothers, Citibank, and Baring. The poor recovery of capital, due to the truckers' creative "toll avoidance" efforts, has forced the government to extend the companies' concessions from four years, to up to 18 years.

But this is only part of the story, since the same scheme is being used in the granting of concessions for port, airport, railroad, and even telecommunications infrastructure.

A recent French study, reported in *El Universal* in early January, reveals that 90% of the toll-free highway network in the country—some 54,000 kilometers (33,500 miles)—is in a state of disrepair and on the verge of collapse, the result of 10 years of total abandonment and lack of maintenance.

The study estimated that at least $700 million a year for 15 years is required to put at least half of the federal highway network into serviceable condition, and yet the Salinas government has announced an allotment of only $333 million for this year.

All of which confirms that *EIR* was right all along, and the government was wrong, when *EIR* warned that the government's granting of concessions to private companies to rebuild the nation's destroyed infrastructure was not a temporary expedient, but a first step toward giving away complete control of the country to the great financiers of Wall Street and the City of London.

Already there is talk that the six companies with the highway concessions are going to sell bonds on Wall Street to enable them to complete the full 4,000-mile contract during this six-year term. If the usurers of Wall Street decide to invest in an economy such as Mexico, which is on its way to collapse, these "highway bonds" could point the way to "salvaging" other areas in similar crisis. To the astute observer, this re-entrance into the short-term debt maelstrom that precipitated Mexico's 1982 payments crisis should appear uncomfortably familiar.

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