

Dateline Mexico by Carlos Cota Meza

Farmers' revolt spreads

The Guanajuato chapter of the Rural Producers Forum was founded to battle free-trade dumping and bankruptcy.

On July 4, the state coordinating council of the Permanent Forum of Rural Producers (FPPR) was founded in Celaya, Guanajuato. The event was attended by some 100 producers, the majority of them dairy farmers, who were joined by representatives of the bankrupt dairy industry of Tizayuca, Hidalgo.

The national coordinating council of the FPPR was created at a National Meeting of Agricultural Producers, held April 23-24 in Ciudad Obregón. Since then, through its denunciations of the sector's debt as illegitimate because it was generated by the free-trade policies of the current Salinas de Gortari government and its predecessor, the forum has become a catalyst for farmer protests and demonstrations around the country.

Also attending the meeting were representatives of the Farmers Democratic Union from Michoacán, San Luis Potosí, and Guanajuato states. Representing the national FPPR coordinating council were José Ramírez, mayor of San Sebastian del Sur (formerly Gómez Farías—see *EIR*, July 16, p. 54), Jalisco and a leader of the forum in that state; José Mendivil, a leader of the Cattlemen's Union of Valle del Yaqui (Ciudad Obregón, Sonora); and Alberto Vizcarra, national leader of the Ibero-American Solidarity Movement.

In Guanajuato's economy the family unit of production predominates in agriculture, ranching, and even in manufacturing. It is not unlike certain economic regions of Europe,

and could easily become a highly productive center which would contribute to making Mexico self-sufficient in food.

The family units of this region do not have a debt problem with the banks. Their main problem stems from the unrestricted import of powdered milk by processing companies, which rehydrate the milk for sale. These companies are the same ones that are freely importing cheese and other milk products, primarily from Uruguay, Argentina, New Zealand, and the United States. They then re-label these products for sale, as if they were national products.

This insane policy—dictated by the federal government, which keeps the prices to national producers artificially low—has brought about the bankruptcy not only of the family farms, but also of the major companies.

Through this process, Mexico has been turned into the largest importer of powdered milk in the world.

To protest this corrupt and criminal policy, dairy farmers from Celaya recently spattered the offices and installations of the Federal Electricity Commission, as well as the regional offices of the Finance Ministry, with milk. They are also giving away free milk to the residents of the poorer towns.

The dairy farmers' proposal to the FPPR was that the latter take up their demands, namely: immediately suspend rehydration, and raise the price of milk to take into account the cost of

production of the farmers.

As one producer from Tizayuca said, "Even if they gave me zero interest credit, I wouldn't be able to pay back the principal, because my product isn't worth what it costs to produce it. It's that simple."

On July 5, the newspapers of Jalisco published a message sent by Gov. Carlos Rivera Aceves to President Carlos Salinas de Gortari, in which he details the problems facing Jalisco's agricultural sector. Governor Rivera asserts that since 1988 there has been a serious decapitalization of agriculture, "which has produced as a result a serious social and economic problem."

Unpayable debts, he maintains, "have created a financial burden which, given its magnitude, is impossible to pay." He added that "the indiscriminate introduction of agricultural products caused a collapse in prices to the producer." As an alternative solution, the government proposed—in the name of the small producers—a seven-point program which, if accepted, would radically change standing economic policy. Among those proposals are:

"1) Immediate suspension of all legal and default actions against owners indebted to the banks.

"2) That the restructuring of their arrears be carried out in the following manner:

"a) 100% write-off of overdue interest payments; b) 100% write-off of normal interest payments; c) write-down of a percentage of the principal; d) that the restructuring terms be a minimum of 15 years with low interest rates both competitive on the international level and susceptible of being paid.

"3) Opening up of new opportune and low-interest credits, joined to a policy of non-importation of agricultural products that would cause a collapse in domestic prices."