

Mexican oligarchy panics as growers' rebellion spreads

by Hugo López Ochoa

Nearly 700 agricultural producers from 12 Mexican states held a National Assembly on Sept. 4, to put together a single unified program to save the farm sector from devastation caused by a decade of "liberal" free-market policies. The National Assembly was the culmination of a series of regional mobilizations headed up by the Permanent Forum of Rural Producers (FPPR) of Sonora and by the Jalisco growers' movement known as El Barzón, and was held in Guadalajara, capital city of Jalisco state, whose main plaza has been occupied by 200 tractors since Aug. 25.

Attending the national meeting were independent producers from the states of Chihuahua, Guanajuato, Morelos, Sonora, Tamaulipas, Baja California, Sinaloa, Colima, Nayarit, Aguascalientes, and Zacatecas. They gave a standing ovation to the proposal presented by FPPR coordinators Jaime Miranda Peláez and Alberto Vizcarra, calling for a moratorium on the country's farm debt; a rejection of that part of the debt—an estimated 80% of the total—which is considered illegitimate because of factors out of the hands of the producers, such as high interest rates; and that the country return to the dirigist economic policy of a National Bank, which would issue low-interest bonds to turn the debt into fresh credit for production.

Alberto Vizcarra called on the country's small and medium-sized industrialists to join the farmers' struggle to change national economic policy.

The farmers' revolt has been the leading issue in the national press, with broad coverage given especially to the FPPR proposal. There has also been coverage in Venezuela. And yet, with the exception of *EIR* magazine and the weekly *New Federalist*, the U.S. media have refused to devote a word of coverage to developments which could well redefine Mexican policy in the period to come.

Bankers fear a Debtors League

Panic has already broken out among the ranks of the Mexican oligarchy, as reflected by the director of the newspaper *El Economista*, Luis E. Mercado, a rabid spokesman for the free-market doctrine in Mexico. Mercado's Sept. 5 column issued a pathetic warning to the government that the Jalisco and Sonora farmers' "conflict" with the banks "could

contaminate the entire Mexican countryside and spread uncontrollably" to other sectors. This, he warned, could influence the 1994 presidential succession and even lead to the creation of a "Debtors League." This, he insisted, "cannot be permitted."

Mercado accused the Mexican Labor Party, the Schiller Institute, and U.S. politician Lyndon H. LaRouche of financing the FPPR, with the obvious intent of giving a partisan taint to a movement which has won massive support in part because of its deliberately non-partisan nature.

The demands of the FPPR and of El Barzón are so popular that Mercado—known as a mouthpiece for central bank director Miguel Mancera—is forced to demand that an "economic-financial package" be offered to the producers which goes beyond a mere restructuring of debt arrears (as the government has offered) and which gives the agricultural sector viability. However, Mercado never clarifies just how that "viability" is to be achieved without changing the entire structure of the government's free-market economic policy, a conclusion which the FPPR has already reached.

Will El Barzón learn its lesson?

In addition to the Sonora proposal to the Guadalajara meeting, the assembled producers heard a proposal from El Barzón leader Maximiano Barbosa Llamas, the head of the rural producers from Autlán, a city along the Jalisco coast. His proposal urges forgiveness of the interest portion of the farm debt—both arrears and current—as well as a restructuring of only that portion of the principal originally lent by the banks, at the same time that the government and the commercial banks must offer a joint strategy for a financial reorganization of the agricultural sector. The Barbosa Llamas group thinks that it is still possible to negotiate the demands of the farm sector without challenging the free-market foundation of the policies which are destroying them.

Because of last-minute maneuvers by the Barbosa Llamas group, the Guadalajara assembly did not formally adopt the Sonora proposal. However, they decided to maintain their "occupation" of Guadalajara's Plaza de Armas until National Independence Day Sept. 15, and to organize "tractorcades" in the main plazas of state capitals and other important cities



A motorcade of 200 tractors arrives in the central plaza in Guadalajara on Aug. 25, as farmers demand an end to foreclosures and usury.

where the national movement has forces, until the wave of bank foreclosures of indebted agricultural properties is halted.

Barbosa and his group may soon learn how far they can get with negotiations limited to the farm sector. On Sept. 5, he and four other Jalisco growers travelled to Puerto Vallarta, where President Carlos Salinas de Gortari was busy propitiating the top bankers of the country gathered at the First Bankers' Convention.

Speakers at the convention included former U.S. Federal Reserve chairman Paul Volcker and David Mulford, George Bush's former deputy treasury secretary who is now president of Crédit Suisse First Boston Bank. Salinas did not grant the farmers even five minutes of his time. When he came out of the meeting, Barbosa Lima told the press that the President promised only case-by-case negotiations with the banks — "that is, the same old story." Barbosa reported that, therefore, the mobilization will escalate, including bringing tractors to Mexico City, blocking imports at national ports, or shutting down federal highways.

Inside the bankers' meeting, the government took a very hard line: Volcker told the assembled bankers and government officials that Mexicans must continue to be patient, because "the conditions are not there for Mexico to achieve more growth in the short term." Bank of Mexico President Miguel Mancera promised that the austerity program will continue without let-up. Undersecretary of the Treasury Guillermo Ortiz lied that the farmers had reached "a truce" with the bankers, and that they had agreed to case-by-case negotiations. No other concessions will be offered, he added; the government cannot "legitimize illegal practices nor a policy of generalized forgiveness of the debt, which attacks

the system of payments."

Roberto Hernández, the new president of the Mexican Banking Association as well as president of the country's largest bank Banamex, called on bankers and debtors to maintain "an individualized institutional relationship, and not a collective one that could lead to popular movements." He further called for changes in the law to facilitate foreclosure proceedings.

The acting governor of Jalisco, Carlos Rivera Aceves, who has portrayed himself until now as a friend of the Guadalajara farmers, told the bankers that only a fraction of the farmers of the state were involved in the protest, and that all negotiation with the protesters was now ended. "The solution is to negotiate; other attitudes can bring conflicts with the law," he threatened.

As one of the papers reported, inside the convention hall were applause and optimistic speeches; but outside was reality, the farmers' delegation, and protests for better housing and salaries.

The FPPR continues to grow

Notwithstanding the lies, the FPPR proposal to spread the strike to other sectors is now out in the national press.

On Sept. 5, *La Jornada* reported on Alberto Vizcarra's intervention at the Guadalajara assembly. Vizcarra, described as a "producer from Sonora," told the farmers that the revolt in Sonora and Guadalajara was nothing less than a "national insurgency by the agriculture sector" which seeks to replace the "globalized" agriculture policy with one of food self-sufficiency. "The potential here at this meeting should not be underestimated," he said. "Our objective should be to reorient policy toward the Mexican countryside.

This is the moment; we should not lose it.”

The current policy of the Salinas government to wipe out national producers is no accident, but is “deliberate, and ordered by the World Bank and the International Monetary Fund,” he said. Farmers are not alone in this. The other productive sectors of the country, such as small and medium-sized businessmen, suffer the same problems. I therefore invite them to join the movement. The arrears of the agricultural sector are only one-fifth of the overdue debts which businessmen owe the banks, he added.

On Sept. 6 both *Excélsior* and *La Jornada* carried articles dedicated exclusively to the Sonora Forum’s proposals on the debt: that the Bank of Mexico must issue a “rural bond,” redeemable in 25 years and with interest rates of 2-3%. This is the way to convert farm debt into new credits to revive the sector, the Sonora group argues. The group also proposes, these papers reported, that such a measure be combined with the creation of an interdisciplinary commission between the federal government and the farmers, to determine which part of the debt is legitimate and which illegitimate, because of fraud or speculative policies.

Vizcarra’s insistence that change in national policy was necessary and urgent was the central theme of a press conference given by the FPPR on Sept. 8 in Ciudad Obregón, Sonora, also widely covered by local newspapers, radio, and television. “The banks and the government are in a perverse lockstep,” said Vizcarra, in response to a question as to how the FPPR views the authorities’ attitude toward the growers’ demands.

In a telephone interview with this correspondent, Vizcarra had the following to say about the Jalisco governor’s apparent reversal: “In the Guadalajara National Assembly, the growers from each state described in detail how their respective governors, one by one, had failed to win aid for their agricultural constituencies. It is clear that the government wants the governors to serve as intermediaries with the protesters, to keep them separate, state by state and case by case.” Our job, he stressed, is to “break this divide-and-conquer strategy.”

Vizcarra also confirmed that the FPPR’s telephones in Ciudad Obregón were ringing off their hooks with calls from farmers from around the country who want to join the national movement. One of the largest tractorcades will be organized in Ciudad Obregón on Sept. 15.

The mobilization by Mexico’s growers has also spread beyond national borders. The Venezuelan daily *Reporte de la Economía* published an article on Sept. 5, under the title “Mexico Also Cries,” on the FPPR’s debt moratorium proposal, which was distributed in a press release issued by Venezuela’s Agriculture Ministry. That same day, the daily *2001* not only reported the moratorium proposal, but also emphasized that the Mexican agricultural crisis “has forced producers to question the viability of a liberal economic model such as that in Venezuela.”

Club of Rome

Twenty-five years of malthusian fraud

by Mark Burdman

Among 25th anniversary events being commemorated this year is one that is more cause for mourning than joy. In 1968, the Club of Rome, publisher of the fraudulent *Limits to Growth* report that launched the modern-day neo-malthusian movement, was created. Now, according to an announcement made by Club of Rome President Ricardo Diez-Hochleitner on Sept. 4, the club’s “jubilee year” will be celebrated at a conference in Hanover, Germany, from Dec. 1-3.

Diez-Hochleitner announced this during the concluding session of this year’s “Dialogue Congress” of the annual Alpach European Forum, held in the Tyrolean village of Alpach in Austria. The theme of the four-day event was “The Emerging Europe – Dialogue with the Iberian States.” Diez-Hochleitner plays a significant role in Spanish politics, having served as state secretary for education, and currently holding the position of editor of the “trend-setting” Madrid daily *El País*. His son, Ricardo Diez-Hochleitner Rodríguez, is director general for technical coordination of European Community affairs in the Spanish Ministry of State for European Communities.

The barely disguised message of Diez-Hochleitner Sr.’s presentation, was that the Club of Rome must be in a position to steer policy in European governments and institutions during the remaining part of this decade, in order to impose an agenda of “sustainable development,” “demographic stabilization” in the countries of the South, “education reform,” and the like. “It is with this in mind that the Club of Rome has convened, end of this year in Hanover, a conference called *Vision Europe 2020*, in order to debate the new role and responsibilities of Europe in the world of tomorrow, including aspects of governance, migration, education, employment and values, as well as alternative strategies for economic and social development.”

The list of speakers invited to the Hanover gathering includes former Soviet President Mikhail Gorbachov, Russia’s chief International Monetary Fund “economic reform” spokesman Yegor Gaidar, Hungarian President Arpad Goncz, former U.S. National Security Adviser Zbigniew