

Dateline Mexico by Josefina Menéndez

The private sector, then and now

López Portillo is strengthening his alliance with Mexican businessmen to stabilize the beleaguered peso.

It has almost become commonplace over the past weeks to talk about how Mexico may be experiencing a rerun of the 1976 earthquake of political and economic instability that shook this country. The peso was devalued by 50 percent in August 1976. Billions of dollars fled the country, responding to an international media campaign discrediting Mexico. And there was near civil war between the Monterrey-based private sector and the government apparatus led by President Luis Echeverría, who traded violent accusations over who was responsible for the crisis.

Will it all happen again?

High-level government officials have privately stated that they believe Mexico is now being assaulted economically and politically much as it was in 1976—and by the same combination of international and domestic forces. They point to the Rockefeller-initiated boycott of Mexican oil; the Wall Street-led attacks on the peso; and the Jesuit-inspired conflict between the Catholic Church and the Mexican state.

But President José López Portillo has over the past weeks taken a number of politically astute steps to ensure that these forces don't succeed as they did in 1976. Particularly critical is his renewed campaign to win over large chunks of Mexico's private sector to defend the peso and the nation's high growth rate. This is something that his predecessor was never able to

achieve—and it proved an Achilles heel for Echeverría in 1976.

On July 24, for example, López Portillo took his *entire* cabinet with him to the second annual industrial fair of the National Chamber of Processing Industries (Canacindra), that brought together many of the nation's industrial leaders.

Canacindra has always been Mexico's most nationalist business grouping, systematically defending state-private sector cooperation for industrial development.

López Portillo appealed directly to these sentiments in impromptu remarks. "You too are the nation," he told the businessmen. "[You are] fundamentally helping to build Mexico, and carry it along the route it must traverse." He called on the industrialists to continue working "without breaking stride, closing ranks behind Mexico."

The businessmen responded by renewing their support for Mexico's system of state-directed economic planning. Taking the lead was José Luis Ordóñez, president of the Mexico City Chamber of Commerce, who attacked "alarmist" reports being spread against the peso. "The most important thing is the interest of the state, because the state is all of us," he declared. "We respect and understand the activities of the state, because we know that we are in a mixed economy. In these conditions we are working and collaborating."

José Porrero Lichtle, the president of Cancintra, singled out the government programs in oil and agriculture for praise, declaring that they helped preserve "the most important" element of all—"national sovereignty." He also made it clear that business and government could together achieve the country's modernization.

While many businessmen have demonstrated confidence in the president's ability to pull the nation through the crisis, others have clamored for a sharp devaluation of the peso, especially many of Mexico's private commercial banks.

For example, the senior analyst at Banpaís, José Demers, this week called outright for the private banking sector to impose a devaluation, against government wishes. If such a measure is not taken, he threatened, "a wave of distrust in our currency will increase . . . and there will be a rush of capital out of the country." Officials of the Serfin bank publicly echoed this call, after meeting with López Portillo personally at the beginning of July, to demand a devaluation.

Banpaís formerly went under the name "Bank of London and Mexico," and retains close ties to British finance today. Serfin, the bank of one of the largest Monterrey Group business factions, is reportedly linked to at least three international banks involved in the P-2 Masonic scandal in Italy: Banco Ambrosiano, Banca Commerciale Italiana, and Banco di Lavoro.

These P-2 networks are in turn connected directly to Chase Manhattan Bank and the Trilateral Commission—the very forces that launched 1976-style economic and political warfare against Mexico over the past weeks.