

Dateline Mexico by Josefina Menéndez

Will the PRI listen to labor?

Old timer CTM leader Fidel Velásquez is making IMF-style austerity the issue, under pressure from his base.

In late June, top labor leaders of the Confederation of Mexican Workers (CTM), led by Fidel Velásquez, paid a visit to Mexican President José López Portillo to present the following demands: reduce interest rates, put an end to the "dollarization" of the economy, and halt capital flight. The Mexican President told them that it was no longer up to him to fulfill their demands but up to the incoming administration.

In the period before the July 4 elections, a period characterized by political instability, Mexico's organized labor has been the sole force among Mexican institutions to systematically reject the attempts by the International Monetary Fund and Bank for International Settlements to impose a monetarist anti-industrial economic model upon Mexico.

On June 16, Porfirio Camarena Castro, a Mexican congressman and economic adviser to the CTM, made the anti-IMF point with particular vehemence. "Labor would absolutely reject Mexico's getting credits from the IMF. We would rather go and seek credits from the socialist bloc," he said. Camarena recalled that in 1976, when Mexico signed a letter of intent with the IMF, the Mexican government was forced to freeze wages and pledge to reduce population growth. Mexico currently has no agreement with the IMF, but is being told by some international bankers that it will

have no choice but to go the IMF by late summer as the current credit squeeze tightens.

The CTM attacks against austerity and monetarist policies have been backed with specific programmatic demands. One of the key issues that the Confederation of Mexican Workers labor Federation has pushed for is exchange controls as an immediate measure to stop capital flight.

What has most affected Mexico are the U.S. Federal Reserve policy of high interest rates and the collapse of the international price of oil. The government has already been forced to cut or "postpone" development projects. In mid-June, plans to build a second nuclear complex were canceled, and a week later the postponement of the construction of two petrochemical plants on the Gulf of Mexico—Laguna de Ostión and Altamira—was also announced. These two plants were part of an ambitious long-term project which includes the creation of new "port cities" to be populated by skilled workers.

The IMF policies that the CTM characterized as being "against our nation's most fundamental interests" are in fact in their first phase. This is widely referred to as "IMF without the IMF," and is compared to Brazil's similar approach beginning in 1980.

The lack of immediate response by López Portillo and the official PRI party—best shown in López

Portillo's response to the CTM—is not only endangering the old government-labor alliance but is also threatening the basis of 50 years of political stability.

The backers of the IMF-style "through the wringer" austerity push are correspondingly picking up attacks on the CTM structure. A particular target: Joaquín Gamboa Pascoe, head of the Senate and Fidel Velásquez protégé. Gamboa got double-barreled treatment in late May when a plane he was riding in on the way back from U.S.-Mexico interparliamentary meetings in California was reported to have contained undeclared import items, and when labor unrest in a Mexico City union under his ultimate supervision led to two deaths.

However, high-profile CTM mobilization put an end to the scandal-mongering. Furthermore, Velásquez stated June 12: "... It is a pity that we live under a rule of law. Otherwise I would tell you that the CTM will finish off all the enemies of the Revolution once and for all."

After referring to the present period as key for the future of Mexico, Fidel Velásquez added: "We are willing to show our faces, and if necessary give our lives to defend our constitution and the integrity of our institutions."

The CTM announced a mass rally of 2 to 3 million workers in Mexico City for June 28 to conclude the electoral campaign of PRI presidential candidate Miguel de la Madrid Hurtado with a show of force. Political observers here believe that the CTM leaders will not be able to hold together their labor base behind the PRI in the future if the PRI and de la Madrid ignore their demands.