

The Mexican population rallies behind the government's measures

by Elsa Ennis

López Portillo's historic measures to stop speculation have brought about a dramatic transformation of Mexico's internal political configuration. From a defensive, demoralized position in the face of the International Monetary Fund and other international monetarist agencies' pressures to halt economic government and impose austerity, Mexico's nationalist and growth-oriented forces have rapidly passed to a position of strength which enables them to continue their fight for economic growth.

Leading this mobilization is the labor sector of the PRI ruling party, in close alliance with the peasant sector and the nationalist "intelligentsia" circles of that party.

Most remarkable is the re-emergence of López Portillo as a strong and highly popular President. From a demoralized President scorned almost daily by the London and U.S. liberal press, an exuberant López Portillo is now struggling to keep up with a full schedule of public ceremonies in support of the bank nationalization decrees and "town meetings" with multitudes of political, civic, and business groups. As Congressman Jesús Salazar Toledano put it in a public ceremony Sept. 13, the bank nationalization and imposition of full exchange controls "have transformed the Republic's profile with a single act of political will."

The 'comeback' of the peasant sector

A mobilization of the peasant sector of the PRI, the CNC confederation, the week before López Portillo's State of the Union address Sept. 1, strongly suggested that a measure of the first importance requiring a popular mobilization was soon to be taken by the government. On Aug. 27, the CNC held a highly unusual ceremony to pay homage to Fidel Velásquez, the powerful head of the PRI labor confederation, the CTM. The CNC leader, Cervero Pacheco, told the press that the two confederations, were unifying to fight the "fascist rumors," including rumors of a coup d'état, which the foreign press and some business sectors had unleashed to destabilize the national institutions.

The meeting was most unusual, because the peasant sector—which had taken a high political profile in the early 1970s under nationalist President Luis Echeverría—had almost disappeared from Mexico's political arena in recent years. Cervero's speech in support of López Portillo this time

clearly showed that a new deal had been struck between the President and the millions of members of the CNC.

Since the bank nationalization, the CNC has been a key component of the numerous rallies and meetings in support of the measures. In a meeting with the leadership of the CNC Sept. 14, López Portillo explained that it was the vicious cycle of capital flight which hits Mexico at the end of each presidential term which led him to impose exchange controls and nationalize the banks. "We could not consent anymore to be terrorized and paralyzed by the blackmail of the flight of capital at the end of each presidential term," he told the peasant representatives.

The CNC leaders answered by offering their full support and blasting the "usurious" practices of the private banks.

Labor refuses IMF conditionalities

Mexico's powerful CTM labor confederation—the backbone of the PRI—has been at the center of the mobilization in support of López Portillo's decrees and is now the key bulwark of resistance to the IMF's "conditionalities."

In addition to their public show of alliance with the CNC, when CTM leaders from the entire country gathered for their annual convention Aug. 31, the meeting produced an outstanding program calling for total exchange controls, reduction of interest rates, a stop to speculative activities and a renewed emphasis on productive activities.

On Sept. 10, CTM leader Fidel Velásquez called the press to send a message to an IMF delegation then visiting Mexico City: labor will accept neither unrestrained price increases on basic items nor a ceiling on salaries. Although the IMF has not yet published its "conditionalities," both these measures would unquestionably be at the core of the IMF's austerity package.

The renewed political strength of Mexican labor is the nationalists' answer to the demands which the British press was putting out in August to dismantle the highly centralized command of the CTM over labor into multiple powerless "independent" unions. Now not only is the CTM the main speaker for pro-growth forces. Soon the federation will have its ranks strengthened by a newly formed union of bank employees which until Sept. 1 had been adamantly opposed by the private banks.

The PRI nationalists

The nationalization had also enormously strengthened the PRI's nationalist circles formed by politicians, government officials, and professional layers. Exemplary of this is the enthusiastic support which the measures have aroused from the National Association of Economists, the association of lawyers, public accountants, and other groups.

Exemplary of these groups' strength is the high profile taken recently by the president of the PRI, Pedro Ojeda Paulada, a staunch nationalist who held cabinet posts in both the López Portillo and Echeverría governments. On Sept. 7, these forces organized the national Senate to unanimously approve the nationalization decrees and send a message to López Portillo expressing "full support for the economic policy and the patriotic decision taken by the government which you deservedly lead."

Left and right tail government

The country's vociferous "Marxist-Leninist" opposition groups have seen their appeal to the labor and peasant sectors greatly diminished. Groups such as the PSUM left alliance, the radical PST party, the Trotskyist PRT, and others are now struggling to maintain at least a place in the last wagon of the government-led nationalist mobilization. PSUM leaders are concentrated on trying to claim the nationalization decrees as a "communist" victory. The population has every reason to think the opposite. On Sept. 3, the PSUM organized a rally in Mexico City in support of the measures parallel to a PRI rally. It was only when a PSUM leader finally mentioned López Portillo that the audience erupted in enthusiastic applause. Similar pro-government sympathies are now giving headaches to the leaders of radical "independent" unions.

The low-profile response recently taken by such right-wing parties as the PAN is also a witness to the strength of the nationalist sectors. On Sept. 9, a PAN spokesman had decided that the nationalist decrees were a "fait accompli" against which they could do little. The party therefore will limit itself to warnings on the dangers of a greater state intervention, the spokesman said.

Since then, Mexico City's political press columns have reported on fissures plaguing the PAN. Since the pro-Falangist PAN had opportunistically run a populist anti-government campaign during the July 4 elections, it has not been easy for its leaders to spearhead the defense of the not-very-popular private banks.

Nonetheless, hard-line leaders such as the PAN presidential candidate Pablo Emilio Madero are insisting on promoting the anti-state campaign. On Sept. 19, Madero broke a prolonged silence by putting out a release to blast those who have opted for "total capitulation before the system." Madero has announced intentions to stir up anti-government sentiment by spreading the story that other business sectors will be expropriated by the state.

On Sept. 19, the heads of several business associations, led by the head of the CCE business umbrella and "free

enterprise" ideologue Manuel Clouthier, announced that, a Sept. 24 meeting to plan opposition to the government measures had been cancelled due to lack of support. A Sept. 8 national strike of storeowners and other businesses organized by Clouthier was also suspended for the same reason.

Business splitting

The failure of Mexico's "Friedmanite" oligarchical circles to counterorganize against the government's nationalization measures is primarily the result of the steady support which the government is gaining among productive sectors. The split in the business sectors started two days after the bank nationalization, when the government announced a dirigist credit system which would lower interest rates, channel credit only to productive sectors, and punish speculation.

Days before the cancelled business meeting, the head of the National Chamber of the Clothing Industry, Bulmaro Jiménez, expressed the small and medium industries' repudiation of Clouthier's conspiratorial meetings. The organizers of that meeting, Jiménez charged, had always represented "big business" anyway. "Fortunately," he told the press, "the state expropriated the private banks . . . [which] never treated us well. Now with this necessary measure, there are more possibilities to have access to cheap credits."

On Sept. 6, the President of the Chamber of Commerce of the city of Ciudad Juarez on the U.S. border had expressed similar sentiments: "The government is giving us what we had asked for. It would be stupid to protest because they are lowering interest rates for us."

The powerful confederation of manufacturing industries, Canacindra, an association which has traditionally collaborated with the government in development programs, has also agreed to collaborate with the government in a national effort to increase industrial productivity. On Sept. 12, Canacindra presented the government with an "operational plan for industrial development."

Not that all these nationalist sectors are thrilled with a greater state intervention in the economy. Nonetheless, most of the country's productive sectors do not have serious problems recognizing that the private banks were essentially an oppressive hindrance to capitalist development.

The de la Madrid camp

The future President, who will be inaugurated Dec. 1, has taken a remarkably low profile during and after the historic Sept. 1 measures. He appeared once in the national Senate during September to see his election ratified. There, de la Madrid said that he fully supported the nationalization and exchange control measures.

It is not known, therefore, what de la Madrid's position was before the decrees and the IMF pressure. One thing is clear nonetheless: The objective configuration in the country strongly favors an anti-austerity, pro-growth movement and this will definitely have an influence on the next administration.