

Mexico's Labastida distances himself from Salinas, but ... how far?

by Rubén Cota Meza

For the first time in its 70 years in power, Mexico's Revolutionary Institutional Party (PRI) held internal elections to select its Presidential candidate, for elections in July 2000. Against all predictions, and the hopes of the opposition, both inside and outside the country, voters heeded the ruling party's call, and came out en masse—nearly 10 million votes were cast—and the PRI emerged strengthened, without splits or losses in its rank and file. The winner of the PRI primary was Francisco Labastida Ochoa, who used his first political address as the candidate-elect, speaking to a close group of followers and before millions of television viewers across the country, to drop a political bombshell: “The new PRI that is born tonight distances itself from [former President] Salinas's path.”

Both of these developments—Labastida's election, and his declaration—have provoked serious nail-biting on the part of those who seek to eradicate those national political forces which are resisting the total imposition of free-market tyranny, of the dogmas of “globalization,” and the disappearance of the sovereign nation-state.

The ten million votes stunned everyone. Even the PRI leaders themselves expected no more than 6-6.5 million voters to come out. The Mexico that voted is institutional Mexico, the republican Mexico that wants to continue to be a sovereign nation. It was the Mexico that seeks reconstruction of its national economy, and which wants to revive the institutional life of the country, after two decades of disastrous neo-liberal experimentation.

Abandoning the Salinas path

The path defined by Carlos Salinas de Gortari, Mexican President from 1988 to 1994—the path along which the country continues to travel toward its own disintegration—is the path of the North American Free Trade Agreement (NAFTA), which destroyed the nation's productive capacities, and of savage economic liberalization. It is the path which gave free rein to all the financial speculative mechanisms that have driven thousands of companies into bankruptcy, and have caused the irrecoverable ruination of the Mexican banking system. Salinas's path has led to the impoverishment of more than 50 million Mexicans, of whom

nearly 30 million are classified as living in extreme poverty.

Salinas travelled his path hand in hand with U.S. President George Bush, resulting in the establishment of the largest drug-trafficking emporium in the history of mankind.

It was Salinas who set the nation on the path of destruction of its basic republican institutions, and who, in the name of “globalization” and “modernization,” threw the nation into the maw of the foreign speculators, while enriching his own relatives and cohorts.

Given Labastida Ochoa's comments, the obvious questions are: How far will he distance himself from Salinas, really? And, does Labastida have both the will, the courage, and the strength necessary to make a 180-degree turn, toward rebuilding the nation?

There are several indications, of which we note two, that Labastida would represent a national tradition, contrary to the globalizing “modernism” of Salinas de Gortari:

First, one day after announcing himself as a PRI pre-candidate for the Mexican Presidency, Labastida placed a floral offering at the monument of Mexican founding father Benito Juárez, “as a symbol of my republican conviction,” he said. Salinas de Gortari, on the other hand, had turned Juárez into a villain of national history, for having declared a moratorium on the foreign debt, and for having preserved the nation's sovereignty from foreign military invasion in the mid-19th century. Instead, Salinas chose as his hero Porfirio Díaz, whose policy of economic looting led to civil war at the beginning of the 20th century.

Second, Harvard's Center for International Affairs, created in 1958, conducted a series of studies to induce “modernization” in the developing countries. The one prepared for Mexico, led by Raymond Vernon and supervised by Henry Kissinger, was titled “The Dilemma of Economic Development in Mexico,” and was published in 1963. Mexico's “dilemma,” according to Vernon and Kissinger, was “the inability of its current political structure to produce the necessary changes in certain basic attitudes, such as: the inefficient ownership and cultivation of the land, sanctified by the Mexican Revolution; the policy of indiscriminate protection of national industry, and the policy of large public investments in impressive projects, such as dams, superhigh-



Francisco Labastida Ochoa, PRI candidate for Mexico's July 2000 Presidential elections.

ways, and housing units, done at the expense of other smaller and less visible investments distributed broadly throughout the country.”

Vernon conveniently omits mentioning the names of those Mexicans “who helped me greatly” in the study, because “none of them would acquire additional advantages by being mentioned.” But, it is known that Vernon was given all the assistance and promotion he needed from then-Trade Secretary Raúl Salinas Lozano, father of Carlos Salinas de Gortari. It was Carlos Salinas who acted to change the “basic attitudes” that Vernon and Kissinger found so objectionable: He de facto handed over Mexican lands and food production capabilities to the foreign grain cartels; he stripped national industry of its protection through NAFTA; and he pulverized public investment through his Solidarity Program, while simultaneously victimizing the already-built highway system through financial speculation.

In a July 6 speech, Labastida referred to the political, social, and economic reality of the third quarter of the Mexican century, stating, “I am one of the many Mexicans who has been able to observe the transformation of the country.” He related that when he left his birthplace, Los Mochis, Sinaloa, “that city had only 15,000 inhabitants, and that its one foreign company, United Sugar Company, not only was the main source of employment in the town, but also controlled the potable water and electricity systems for the town. One had to seek permission to enter the fenced-off area, which was a separate territory. One had to ask permission for an extra light bulb, because there was insufficient electricity provided. This was immense power concentrated in a foreign sugar company.”

But, in 1956, Labastida said, the federal government carried out two major projects that transformed the region: a dam, which irrigated nearly 220,000 hectares, and the federal highway that joined the region with both the north and south of the country. In a brief period of time, the region

went from 15,000 inhabitants, to more than 200,000. The educational services used to go only as far as a junior high school; today, there are institutions of higher learning. New social classes formed. This transformation has occurred in many regions of the country, and has been carried out by governments committed to the policies of the Revolution, according to Labastida—in other words, the very policies that Vernon and Kissinger proposed be abandoned, and which Carlos Salinas de Gortari demolished with undisguised zeal.

A republican conviction?

Economic and institutional reconstruction is urgent, if the growing absorption of Mexico’s northern regions by the U.S. economy is not to lead to territorial fragmentation and, with it, the dissolution of the Mexican nation.

Labastida had reiterated throughout his electoral campaign inside the PRI, that “we must work to close the gap that exists in growth of different regions of the country. The population on the [northern] border is growing at an unprecedented rate, and economic growth, generation of employment, and attention to social needs is falling behind in the south. This phenomenon of migration is changing Mexico’s demographic map, rapidly moving the weight of the population from the south and center, into the north. We cannot have a Mexico divided between a thriving north and a marginalized south,” which is an “unacceptable direction” because, if we continue on this course, “sooner or later we are going to be facing a split.”

To confront this and other major national challenges, Labastida proposes that Mexico return to rates of economic growth higher than 6%, which were achieved for 25 years during the period now called “the Mexican economic miracle,” and which were interrupted in the mid-1970s.

Those rates of growth were largely an expression of the economic effort undertaken as part of the war effort, and later commitments of economic reconstruction. The international financial system functioned, through 1958, to develop the physical productive capacities that such an effort demanded. After that period, the rules began to change. A slow mudslide began. The studies and proposals of Harvard’s Center for International Affairs, by Vernon and Kissinger, by Raúl Salinas Lozano, were all part of the changing rules. From 1964 until 1971—the year in which the old Bretton Woods system was cancelled and the new system of floating rates was imposed—the system suffered a degeneration.

That system is now bankrupt, and cannot last. It is disintegrating, and must be shut down and replaced. The challenge posed today is either a complete and radical abandonment of Salinas de Gortari’s path, or continuing along that path; and the latter will unquestionably lead to what Labastida envisions as one possible future for Mexico: its disappearance as a sovereign nation-state.