

dividual stocks. In line with this "correction" of the Labor Communities, the National Confederation of Industrial Communities (CONACI), created by the government in 1972, was again banned by the Interior Ministry from holding a leadership meeting.

#### Dismantling the State Sector

The bulk of President Morales' speech at CADE-76 was devoted to reassuring Wall Street that the state sector would be stripped of its role as the dynamic force of the Peruvian development process. Morales echoed banker criticism, saying "the public enterprises have grown at too fast a rhythm over the last few years, not so much in relation to the economic objectives of the government and the need for increased production of essential goods, but also in relation to the financial possibilities of the country." Morales then blamed the "excessively rapid" development of state-owned industry and infrastructure for budget deficits, shortages of foreign exchange, lack of capital

for private investors, and inflation. He insisted that "managers and workers jointly assume responsibility for demonstrating the entrepreneurial capacity of the State by acting according to the same criteria for profitability which prevails in the private sector."

While terminating worker-participation, Morales announced that state sector investment policies and operations in the future will be made with "the active participation of business organizations" to produce "a concertation of goals for investment, production, employment, etc." between the various forms of ownership. A week ago a committee was established with 50 per cent state and 50 per cent business representation to decide which state operations and projects should be triaged. Whether the development program forged in earlier years is scrapped or not depends largely on the outcome of the 40-day fishermen's strike against the dismemberment of the deficit-making state fishing company and on the international situation.

## Mexico's Parliament To Put Monterrey Chief On Trial For Treason

Nov. 26 (NSIPS) — Mexico's Chamber of Deputies announced yesterday that it would officially charge Andres Marcelo Sada, top Monterrey Group spokesman, with "treason and sabotage" for his role in the Chile-style campaign of rumors and economic sabotage aimed at toppling the progressive regime of President Luis Echeverria. This action marks a high-point in the mobilization of the pro-Echeverria forces which took off with the historic Presidential decree Nov. 19 through which President Echeverria, in strict adherence to the Mexican Constitution, expropriated without compensation, over 200,000 acres of land illegally concentrated in the hands of 72 wealthy landowner families of the northwest state of Sonora and distributed it to over 8,000 landless peasant families.

Throughout the week preceding the expropriation, rumors of an impending coup d'etat flooded the capital city with the international press reporting that President Echeverria was not expected to yield the presidency to his successor, Lopez Portillo. Together with rumors of an imminent third devaluation of the battered peso, the outflow of currency was running at \$10-15 million dollars a day. Immediately following the land distribution in Sonora, a massive run on the peso — precipitated by the pro-fascist Monterrey Group of industrialists — took place. That Friday alone \$150 million dollars worth left the country.

To prevent a further flight of capital, on Monday morning President Echeverria ordered the Bank of Mexico to impose temporary controls on peso-dollar exchange — unprecedented in recent Mexican history — although the measure was partially revoked the following day after an all-night meeting of bankers with the right-wing head of the Bank of Mexico.

The general reaction by the right was violent.

Coordinated by Andres Marcelo Sada, president of the ultra-right National Employers confederation, large landowners in Sonora, as well as in the neighboring state of Sinaloa, began Chile-style strikes and shutdowns with support from some of the national business and industrial confederations of the country, demanding that the government give back the expropriated land. By Nov. 25, business and landowners in eleven other states had joined their fascist counterparts in the Northwest in a one-day lockout "in protest over the (government's) violation of individual rights, and the economic political and social chaos"

supposedly created by the government-decreed land distributions. "We will not take a single step back, and while Echeverria remains in power, we will continue the strike," said Sentencio Terminel, a top latifundist in Sonora. The reaction by the controlled Anglo-American press has also been hysterical. The Washington Post today ran an article entitled "Mexican Peons Threaten to Seize More Farmland," describing how "the shabby peasants who had suddenly received stretches of the perfectly plowed and fully irrigated fields still feel dumb-founded." "Any further actions by the impoverished Mexican peons, whether spontaneous or government-controlled, will add to a highly explosive situation in Mexico's northwestern farm belt south of the Arizona border," threatening "the planting of winter vegetables destined largely for exports to the United States." The notorious CIA-conduit Alan Riding, in an article yesterday in the Financial Times, lashes out at President Echeverria for "further complicating the economic and political situation that (President-elect) Jose Lopez Portillo will inherit." According to Riding, Echeverria did this solely to "be in a position to agitate and control the peasantry." The article sings extensive praise of the latifundists as "models of efficiency and productivity," and concluded with the remark that Lopez Portillo would prefer productivity to social justice, but that Echeverria has tied his hands.

The latifundist-businessmen strikes, which ended yesterday, were met with a fully mobilized Pacto de Ocampo (peasant federation) which demanded that the land idles by the strikers — around 200,000 acres in Sonora — be turned over to the peasants to continue agricultural production — an action which the Mexican President is legally and constitutionally empowered to take. The mobilization by the nationalist pro-development forces against the right-wing drive were stepped up by Celestino Salcedo, a pro-Echeverria Congressman and head of the country's largest peasant confederation, the CNC — part of the Pacto de Ocampo — who issued a call to bring Andres Marcelo Sada — the Rockefeller of Mexico — to trial for treason and sabotage. His call was then presented as a resolution in the Chamber of Deputies by a deputy representing organized labor.

But the right continues its offensive, determined to turn Mexico into another Chile. The right's intention is to force Portillo into the role of administrator for the International

Monetary Fund's genocidal plans for collecting Mexico's foreign debt through drastic austerity and the dismantling of the state sector. Their strategy is two-fold, designed to maintain the utmost pressure on the incoming president with strikes and rumor campaigns against the Echeverria regime while offering a hand of conciliation to the vacillating Lopez Portillo. An unrelieved "collision course" with the present regime, they are all too aware, could provoke an uncontrollable civil war situation, a sentiment perhaps best expressed by an editorial in the right-wing daily El Heraldo which warns: "Let us not be carried away with baseless rumors — the best form of suicide... We must not fall into the trap of strikes and shutdowns, nor of confrontations, nor give pretexts for the shedding of blood."

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### "The Authors of the Rumors in Mexico"

*Nov. 24 — In an article today, excerpted below, Mexico's largest evening daily, Ultimas Noticias, reports on Celestino Salcedo's call for indicting Andres Marcelo Sada for promoting anti-government rumor campaigns which provoked the massive flight of capital out of Mexico:*

Celestino Salcedo Monteon (head of the National Peasants Confederation, the largest Mexican agrarian organization-ed.) declared today that Mr. Andres Marcelo Sada, Engineer and President of Coparmex (Mexican Employers Confederation), is the "author of rumors in Mexico," and more concretely, that "the rumors against the Federal Government originated in his offices."

Peasant leader Salcedo added that Sada is "heading up the imperialist attack on Mexico. The CNC (National Peasants Confederation) and the organizations within the Pacto de Ocampo (confederation of peasant organizations) say this of him because he has taken money out of the country in order to cause a scarcity of capital. He is mixed up with the traditional mafia of Las Vegas and Chicago, where vice, gambling and prostitution play an important part in the trafficking of dirty monies."

His (Sada's) "criminal objective," said Salcedo Monteon, "is to ingratiate himself with the most reactionary foreign circles through his campaign against national institutions."

The agricultural strike in Sonora (of latifundists) "was a frustrated attempt to destabilize the country." The intentions of Sada and company is to "create in Mexico what happened in Chile, where democracy was murdered."

The peasants maintain, he added, that the expropriation of the hundred thousand hectares was legal, both in respect to the Federal Agricultural Reform Law and to the Constitution, and was an act of justice, long-awaited by the peasant sector, as affirmed by Deputy Victory Manzanilla Schaffer in a Parliamentary tribute to ("Pancho") Villa.

Salcedo said that the peasants are sure that the real nationalist businessmen will repudiate Sada, as his activities seriously endanger the sector he claims to represent.

Finally the peasant leader declared that Sada is "a grotesque caricature of Pinochet, pretending to give us lessons in law and morality. His treachery disqualifies him as a Mexican."

### **Echeverria:**

### **Mexico Must Resist!**

*The following are excerpts of the speech given by President Luis Echeverria on Nov. 24 in the southeast state of Quintana Roo. In response to this speech, the military commander of the state's troops declared that the Mexican army is "willing to die" in defense of the government.*

We have been subjected to much criticism for our attitudes and actions, our many trips abroad, and for the fact that over the past six years we have doubled the number of countries with which we have diplomatic relations. But we do not want to resign ourselves to a geopolitical dependence, nor develop an inferiority complex with respect to any power, whatever its size.

We will continue gaining ground (as long as) we Mexicans open our eyes and learn as much as we can from whichever country...

There are small minorities who have amassed much capital, who have also been efficient industrialists. They have, however, bad political advisors who cannot imagine any other alternative for Mexico's destiny but an alliance with powerful foreign interests to hand over the destiny of the nation to. But when they see a popular movement, when they see a democratic tendency form, when they observe a self-critical vocation — which is what we need — they become suspicious, criticize and create rumors.

A little while ago we said in the state of Tabasco and then in Mexico (City) that these latest rumors — which arrived diluted in Quintana Roo — were synchronized, concerted and orchestrated in special technical offices to alarm Mexicans and to cause anxiety and worry in their children; they wanted to decapitalize us to that afterwards, they could promote a suddenly-provoked capitalization from the outside; so that the efforts we are making in agriculture, in cattle raising, in education and in tourism, among other areas of national activity, were handed over indiscriminately to foreign economic interests.

Mexico must resist; it has the capacity to do so.