

## Dateline Mexico by Hugo López Ochoa

### Labor's ultimatum

*But President de la Madrid still defends his economic policies, while Moscow fishes in troubled waters.*

On Nov. 23, Fidel Velázquez, Mexican Workers Confederation (CTM) leader and president of the 10 million-member Labor Congress, presented an ultimatum to Mexican President Miguel de la Madrid. He demanded the government revoke the peso devaluation and "return to absolute exchange controls," or face a general strike. De la Madrid was given five days, starting Nov. 24, within which to give his answer. Labor is also demanding a wage hike of 46%, while warning that it "could reach 137% along the northern border of the country, where the dollar is selling at 4,000 pesos."

"At this moment, everything is black for the country, and we don't even want to discuss the reason or lack of reason behind the measures that have been taken," said Velázquez. "We have no intention of putting ourselves above the law; things have already exceeded the law."

Thus, the CTM—which played by the rules of the game long after the game was over—has said "Enough!" Labor is now closing ranks with other patriotic forces in Mexico who have been left no choice but to demand a halt to the government's slavish relationship to the international creditor banks. The CTM has long paid lip service to the idea of limiting payment on the foreign debt to 10% of the nation's exports, as Peru has done. It now appears to be recognizing that if it does not aggressively mobilize around a concrete program, its rank and file will fall to the Nazi-communist opposition forces.

"Mexico is on the way to a state of

emergency. This could lead to a rupture that there is still time to avoid," said Blas Chumacero, the deputy general secretary of the CTM on Nov. 24. Chumacero added, "What would the country gain by a new revolution? Even as we starve, we are exposing Mexico to a social conflict that could lead to loss of more territory, or bankruptcy of the system."

Overnight, the country has been sucked into a maelstrom of financial collapse, within which the President is trying desperately to protect the \$14 billion in international reserves from the flight capital launched by narcobankers after the stock exchange crisis. But de la Madrid's measures have had the effect of trying to put out a fire by spraying it with gasoline. The increase in interest rates to 115% reinforces the hyperinflationary spiral which the economy has entered; and the speculators are demanding that the devaluation of the peso be hiked from 55% to 120%.

As the leading daily *Excelsior* commented: "The country is plunged once again into the monetary whirlwind, and like the modern Sisyphus, appears condemned to eternally tread the same path it has traveled with such effort."

On Nov. 24, Rogelio Zepeda Sierra, congressman and leader of the opposition National Action Party (PAN) in the state of Guerrero, threatened that there exists "the possibility of a coup d'état before the [July 1988] elections, because the economic crisis has placed the country at the same levels that existed under the Porfirio Díaz dictatorship" of 1890-1910.

And while the Pinochet-admiring PAN hopes to take advantage of the growing popular discontent to create conditions for a coup d'état, the narcobankers who finance the PAN are threatening to tighten the noose around the government if it increases wages, as labor is demanding. The nation "will pay a high price" if there are wage increases, warned Agustín Legorreta, president of the pro-PAN Businessmen's Coordinating Council, on Nov. 21.

The next day, PAN presidential candidate Manuel Clouthier announced that his platform would consist of returning the banks nationalized in 1982 to ex-banker Legorreta and company. Clouthier is a landowner upon whose property a marijuana-filled warehouse was found several years ago.

Meanwhile, the pro-Moscow parties, headed by the Mexican Socialist Party (PMS), are fishing in troubled waters. During the Nov. 19 and 23 testimony of Finance Minister Gustavo Petricioli and Budget and Planning Minister Pedro Aspe, before the Mexican Congress, the mildest epithets the left opposition used against these government officials were "treason" and "servility to imperialism."

During his appearance before Congress, Petricioli pathetically defended U.S. former Federal Reserve chairman Paul Volcker from widespread charges that his high interest rates caused Mexico's out-of-control debt problem, protesting that "he is not a usurer, he is a great man." Petricioli added, "Sometimes, raising interest rates is revolutionary." His words, more than a defense, were an ominous premonition. Just as in Weimar Germany, if the Mexican government insists on pouring gasoline on the fire, the same bankers who provoked the disaster will end up financing a Nazi-communist revolution.