

Dateline Mexico by Josefina Menéndez

Fidel Velásquez's gamble

The old labor boss and de La Madrid are working out an alliance to prevent social explosions.

When Mexico's labor boss, Fidel Velásquez, announced his CTM labor confederation's decision to postpone for 10 days a May 30 general strike, the second most powerful man in Mexico once again had surprised political observers. Ten days before, the Congreso del Trabajo labor umbrella group had committed its 8 million members' participation in the CTM-proposed general strike on behalf of a 50 percent salary increase.

Everything indicates that the 80-year-old labor leader is sticking to the labor-presidential alliance which has been the foundation of this country's economic development and political stability for the past 60 years. As the main architect of this alliance, Velásquez has apparently struck a "social pact" with Miguel de la Madrid. While workers would get moderate salary demands, the government would have to take a more aggressive stand toward Friedmanite business groups and anti-labor organizations such as the National Action Party (PAN).

After a closed-door meeting May 27, the Congreso del Trabajo leadership gave its unions a green light to negotiate salary increases of approximately 25 percent, a rather meager compensation for an official 90 percent annual inflation rate.

Though the government has not detailed its concessions to Velásquez, the union leader has nevertheless moderated his position, thus risking credibility with his union base.

Both government and labor lead-

ers know that their alliance is the key to prevent an explosion of popular unrest provoked by the International Monetary Fund's "shock treatment." On May 29, the labor chief told the press that the CTM supports de la Madrid's efforts to deal with the economic crisis and "will not allow disorders in Mexico, actions against the law, nor violence."

Velásquez and de la Madrid indeed know that members of the leftist union of university workers decided to go ahead with the general strike May 30. The gigantic National Autonomous University of Mexico (UNAM), a hotbed of radical organizing, and nine other universities have suspended activities. The radical unions of uranium and nuclear workers have followed suit. Members and sympathizers of the dissident CNTE teachers group reportedly held a one-day strike May 27.

This radicalization of labor unions could hook up with sporadic cases of violence among students; the PAN's "separatist" organizing in several states of the country (see Dateline June 7); and a resurgence of anti-state organizing by Friedmanite business groups, encouraged by the PAN.

Confronted with the prospect of several political crises blowing up at the same time, de La Madrid has decided to break the IMF-cultivated profile of an "administrative president" to make a series of crucial public interventions. He has warned the PAN that he won't tolerate its treasonous sepa-

ratist organizing, and has told the Concanaco chambers of commerce association to stop their agitation against the state's "intervention" in economic activity.

In announcing what should be his government's National Development Plan for 1983-88, de la Madrid did not conceal that, given the dismaying state of the world economy, his government is unable to formulate any development plans for the six years of his administration as every Mexican president has done previously.

He hinted that, given the devastation produced by the IMF in his country's economy, a break with this monetarist institution would not hurt him very much. Observers here point to the unusual passion he expressed in saying that "in these decisive moments of our national history . . . my mission, and no one else's, is to rule the nation of Mexico."

On May 31, Concanaco head Emilio Goicochea, along with Jacobo Zeindenweber, and Ignacio Barragan from the Concamin and Canacindra industrial confederations, issued press statements to tell the president that they accepted his invitation to collaborate in a solution to the economic crisis.

After the closed-door meeting of the Congreso del Trabajo, Fidel Velásquez further explained that the unions's strategy for the next six months is a salary-price "freeze" guaranteed, and if necessary enforced, by the government.

While the government still has to say how it will control prices, de la Madrid has apparently won a "social pact" with the unions for the moment.

However, as *El Día's* columnist García Ibarra said May 30, the government must be able to put some muscle behind the demanded salary-price "freeze," otherwise Velásquez could lose control over the unions to radicalized leaders.