

INSTITUTE OF CURRENT WORLD AFFAIRS

KAC-11

Paseo de la Reforma 157-503
Col. Cuauhtemoc, Mexico D.F.
C.P. 06500, Mexico

Vignettes

Mr. Peter Bird Martin
Institute of Current World Affairs
Wheelock House
4 West Wheelock Street
Hanover, New Hampshire

October 21, 1982

Dear Peter,

The shop itself was dark, cold, and uninviting. The gold-speckled wall paper had been there for at least a decade, and the unpainted cement floor was cracked in various places. The mounds of delicately designed sweet rolls, however, made the San Jose Bakery one of the more attractive sights in Romita, a rather drab agricultural town located 225 miles from Mexico City.

But baker Eduardo Briseno found the pastries' presence disturbing.

"Before at this hour (10:30AM) all of these would have already been sold," he said, sweeping his short stubby arm from one group of shelves to the next. Since September 1st, Mr. Briseno's sales have dropped thirty percent. In the same period, he complains, the cost of food and other basic goods he buys for his family have risen seventy-five percent, while the price of electricity and flour have doubled.

At first he was hesitant to cite the reasons for this difficult situation. He moved the weight of his rotund, dwarf-like body from foot to foot, and fiddled with his dirty white apron while fumbling for words.

"I read a lot, and I read the newspaper regularly...But it may be that I don't understand anything about politics. What I do understand is that we have to eat. How? By making money by whatever means God allows...For some people that includes robbing. They have to because they're hungry...Then again, the man who holds the tiller of this nation must have made a lot of commitments to people in the last six years. I believe we owe a great deal of money to our neighbors to the North. Now they don't want to lend us any more money, and they're right not to; so much of it is carried away by the politicians, who leave with their pockets full. They act like pigs! In fact, it is the government which is the main cause of this mess."

After the government, Mr. Briseno cited the severe drought which has hit Mexico this year, as the second most important cause. Even though the corn crop should be ripe for harvest,

Kim Conroy is a fellow for the Institute of Current World Affairs. She is a generalist, interested in current political, social, and economic issues in Mexico and Central America.

the plants in the fields surrounding Romita stood no more than two feet tall. Mr. Briseno said that most of the villagers' crops had been devastated; only that tiny minority which had access to irrigation had come through unscathed. He said that each year, after the corn harvest, about fifty percent of the men leave town to find employment either in Mexican cities or in the United States. This year he thought a much larger portion would be forced to go, leaving even fewer of Romita's 15,000 inhabitants with the means to buy his bread.

"And given the situation, what do you think should be done?" I asked.

The fluidity with which he had come to speak drained away. Again he fumbled with his apron, and for a few moments gazed at his flour-covered shoes.

Then, looking apologetic, he replied, "Well, we definitely need change, and what we really need, if you'll forgive the expression, is another revolution."

--- ---

Vicente Fox has all the makings of a Texan: a tall 6 foot 4 inch frame, a swaggering walk, crisp new Levis, and a boasting manner. His first words were, "We're the largest exporter of shoes in the entire country."

Mr. Fox is not a Texan but a Mexican who makes some of the world's most elegant cowboy boots. These boots are made from the finest imported leather, including cobra and shark skins toned in everything from jet black to bright lavender. His mahogany paneled office is spattered with glossy posters proclaiming the virtues of Fox boots. In flawless English, he spoke of the company's many achievements, and more recently, of its rapid decline.

"Only three years ago, we were exporting half a million dollars worth of boots a month. Now we are exporting less than a third that amount, roughly US\$ 150,000...We used to export ninety percent of our production, now we barely send thirty-five per cent abroad. Compared to 1979, we are working at 60% of our capacity. And if we don't get dollars soon, we may have to shut down."

Mr. Fox is one of 1,250 footwear makers facing difficulties in the city of Leon, Guanajuato, the center of Mexican shoe production since colonial times. He was very matter-of-fact in stating why his family's business is in trouble. Stylish cowboy boots are not the fad they were in 1979, neither in the U.S., nor in France, which were Fox's two principal markets. His problems didn't really begin, however, until last year; because Mexico's peso was over-valued, Fox's boots became expensive relative to those made in other countries, such as Italy and Spain. Now with the peso devalued by more than 50% this year, his boots are much cheaper. But, the world recession has shrunk his potential

market. Furthermore, because of government policy, he cannot get enough good quality leather. Mr. Fox explained that normally 60% of the cowhides used by the Mexican shoe industry are imported, mostly from the United States. His company uses nothing but imported skins because, he said, they are better than those locally produced. Since the tight currency controls were imposed in August, however, it has been virtually impossible to obtain the dollars for these imports.

"In two to three weeks we will have absolutely no supplies because there is no way to get dollars," he said with a look of mixed resignation and despair. "That would send our production tumbling another 30 to 40 percent."

Despite the drastic falls in production since 1979, none of his 600 workers have been laid off. Mr. Fox pays his employees on a piecework basis. The workers individual production quotas have been lowered, and to make up for losses in the company's profits, they are paid less per pair than they were in 1980.

Leaning back in his high-back, leather padded swivel chair, he added, "But the recession in the United States seems to be easing, and cowboy boots are coming back into style in France... The French women are particularly fond of the wilder colors like lavender, colors which American women, being more conservative, rarely buy."

He already has orders for US\$300,000 worth of boots, but, as he put it, "I can only fill the orders if the government gives me the dollars to buy the materials I need. And the government won't even allow me to buy these with the dollars I have acquired and deposited in a U.S. bank, dollars earned from previous sales."

"Have you found the government at all sympathetic?" I asked.

"The people in the ministries that I have to deal with sound concerned and promise to do their best. But as yet, it's all words."

"What do you think President-elect Miguel de la Madrid should do upon taking office?"

"Let's hope he plans for the long term, that he looks way ahead, and that he makes some changes very soon because they sure are necessary."

If I hadn't been looking for squash flowers, I probably wouldn't have noticed Chavel Garcia. She was tucked away in a dark corner, near one of the side entrances to Toluca's fruit and vegetable market. The Toluca market is the largest in the state of Mexico. Most of its merchants had 6'x 4' wooden stands teaming with fresh produce. Each apple, pear, peach, and orange had been carefully shined and placed upon a mountain of its own kind. The vegetables, while not shined, were stacked with the same almost Japanese-like sense of geometric balance. And, as if to show that some adventuresome soul had scaled these edible mountains, a sign had been planted on the tip of each peak. "BARCATEL Y DESOS A KTIQ"

was the common phraseology.

But Chavel had no such stall. She sat on the cement floor, with her legs tucked under many layers of skirts, and her black plastic shoes peeking out to one side. A white cloth dotted with bouquets of squash flowers and small mounds of zucchini was spread in front of her. Her flowers looked extremely fresh, and were just the condiment I needed for the soup I would be making later in the day.

"How much are your flowers?"

"They are very fresh Miss, and they are only 20 pesos."

"Could I have two bouquets please?"

"Yes, with pleasure."

Her Indian beauty was seductive: deep set eyes, mahogany stained skin, strong cheek bones, full lips, and thick black hair braided with sky blue satin ribbon. Her body was full without being fat. At the age of thirty, she had already mothered three children, the youngest of which was suckling at her left breast when I arrived.

"Here you go," she said, handing me the package with a broad smile.

"Thank you very much."

Then, crouching down by her side, I asked, "Do you feel that your living costs have increased during the last few months?"

"Excuse me?" she replied, looking at me with total consternation. Even if Spanish had been her mother tongue, she probably wouldn't have understood my technical terminology.

"What I meant to say was, have you noticed whether or not the price of the goods you buy for your family has increased in recent months?"

"Oh yes Miss, by a terrifying degree, absolutely terrifying! Just imagine Miss, when I was a child, my mother bought vegetables at 10 centavos a kilo. Now it is impossible to buy anything, even the smallest piece of candy or package of herbs for less than a peso. Now anything costing 20 pesos - like my squashes and flowers - is considered a bargain. When I was young, meat cost 20 pesos a kilo. Now it costs 250 pesos! Before, my husband and I ate meat once sometimes twice a week. But for over a year, we haven't bought any meat at all."

"And what do you eat?"

"Each day it is the same thing: beans, rice, tortillas, and squash."

Talking all the while, she tucked her large, supple breast back into her white muslin blouse, wrapped her red sweater-clad child in her finely woven shawl, and proceeded to tie him on her back.

"Things have never been easy for my husband and I. He has only one hectare of land (2.2 acres). Most of it he plants in corn. And on a very small patch, which used to be irrigated, we grew squash. This year, the rains did not come so all our corn died. And a few months ago, the government confiscated the irrigation system we shared with other villagers in our town of Izalahuaca. The government officials told us that the water was to be piped to Mexico City for drinking. It was very good water. They said that they would bring us a new water system. But since they took our water, they have not returned."

"Do you think they will?"

"I doubt it, but who knows. There are so many things I

She stopped to make a sale of a handful of squash flowers, and of two mounds of zucchini - a 60 peso or US 80 cent sale.

"How long have you been coming to sell at this market?"

"For five years."

"How do you get here?"

"I take two buses here and two buses back. It takes about an hour either way."

"How much is the bus fare?"

"One hundred pesos round-trip."

"Do you have to pay for the right to sell in the marketplace?"

"Yes, that's another 50 pesos."

"And how much do you sell each day?"

"As little as 400 pesos or as much as 600 pesos, depending on whether or not the people are buying. Recently, they are not buying much."

For some time, a young woman, dressed in an ill-fitting black skirt and polyester white pullover, had been looking at a particular pile of squash.

"How much are they?" she asked, while still fingering the vegetables.

"Twenty pesos Madame, they were picked fresh today."

"I'll give you fifteen."

"I'm sorry Madame, I can't sell it to you for less than twenty. Otherwise I will make no money."

"Are you sure?"

"I am absolutely sure."

The woman took one more look at the squash, Chavel, and me, and then hurriedly walked away.

"And what do you think of the present government?"

"The government officials are drugged by their own wealth, by the money they have robbed from the people. And it is because of them that the prices of everything keep going up..."

"The government promised that with the nationalization of the banking system, prices would go down. But who is going to believe them?"

"And do you think that the situation will improve when the new president takes office in December?"

"No, things will only get worse, because each new president increases prices."

Suddenly, she reflected back on an earlier moment in our conversation.

"You know there are rumours in Izlahuaca that the government may start taxing our land, 3,000 pesos a year. If that happens and the prices keep rising as well, it might be just too much for us."

"So what would you do?"

For several seconds she sat in silence. Finally, staring down at her white cloth, she said quietly, "Move to the city perhaps. But I don't know. As I told you before, I can't read."