

THE SITUATION IN MEXICO

The situation in Mexico is much more complicated than the article in the January GARGOYLE would lead one to believe. One of the reasons for the comparative stability of Mexico during the past 50 years has been the fact that almost all of the large estates and haciendas have been broken up and distributed to the peasants. However because Mexico has one of the highest birthrates in the world there is now a whole new generation of peasants clamoring for land, and very little left to be distributed. It has been calculated that if all the land of Mexico were divided up equally each person would receive a plot just barely large enough to be buried in.

Since it is not possible for everyone to have a piece of land, it is only fair that those who have possession of the land should pay for this privilege by means of a tax on land value. This of course should apply not only to agricultural land, but to land in the cities as well. With the revenue that such a tax would provide, the government would have ample funds to help those people who really wanted to work but were unable to find jobs.

The last president of Mexico, Luis Echeverria, actually encouraged people to take over by force land that was already in production. The insecurity in the possession of land caused many farmers who otherwise would have made much needed investments in agriculture to put their capital to other uses. Often the squatters were not even real peasants, or people in need, but professional agitators.

On Dec. 1st José López Portillo took office as president of Mexico, and he immediately started making important changes. To begin with, he re-established cordial relations with the United States. These relations had deteriorated considerably under the anti-Americanism of the former president. The government is now working with businessmen to solve the problems of the country, instead of

just insulting and harrassing them as was the custom of Echeverria. In addition the government is being re-organized along more efficient lines, and the number of employees on the government payroll is actually being reduced.

Land in the state of Sonora which was illegally taken away from its rightful owners by the former president was returned to them by López Portillo. It should be noted that these owners were not speculators. They were hard working farmers who had taken bare desert land and made it the bread basket of Mexico for the past fifty years. In order for the new president to restore confidence in the government it was necessary to take this step. However he is most certainly not unaware of the problems existing in regard to the land. Actually a large portion of the land distributed to peasants under previous regimes is now lying idle. The present government is cur-

rently taking a census of this land, and plans to redistribute it to peasants willing to cultivate it, rather than breaking up farms now in production.

Dividing up the land of Mexico has been disastrous as far as production is concerned. Mexico, which at one time was an exporter of agricultural products has recently had to import in large quantities such basic commodities as corn, wheat, vegetable oil, etc. Just two years ago they were an exporter of sugar, but this year they will have to import it. Practically any older person in Mexico can tell you about large farms he knows of which were once fertile and productive, but after they were divided up and given to the peasants they stopped producing and are now abandoned. Statistics show that the comparatively few small property owners left in Mexico produce by far the major portion of the agricultural production of the country. The ejidos, which make up the vast majority of the agricultural land in Mexico, produce a very small percentage.

Mexico faces many serious problems. and there are some economists who believe that it will not be possible for her to overcome these problems unless she sells most of the 740 different state enterprises she owns (as Chile is doing), the majority of which are being operated at a loss. Nevertheless it is important to put these problems into perspective. When Americans compare the standard of living in Mexico with that in the U.S. they assume that the poor Mexicans must be seething with revolt. However the important thing is to compare conditions in Mexico with what they were 10 or 20 years ago. During this period of time much progress has been made -- greater educational opportunities, better medical services, water for drinking and irrigation, highways, industry, etc. During the regime of Echeverria there was a danger of communism being forced upon the people by the government. However there is little chance that the people of Mexico would actually choose communism.

As a lifetime Georgist it is obvious to me that the solution to many of Mexico's problems would be to collect a tax on land values and eliminate the many taxes now in existence which discourage production and cause inflation. The stimulus to construction, agriculture, industry, and business of all kinds would probably be so great that there would be a labor shortage in Mexico, and the braceros would find better jobs at home than in the U.S.

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