

MEXICAN AGRARIAN RIGHTS: WHO DO THEY BENEFIT?

Newspaper headlines recently reported that Mexican farm workers had taken and moved onto private land. Within hours after this takeover, a presidential decree granted the land to the occupiers.¹ Even though land expropriations have taken place regularly during the last sixty years, this report created tremendous concern and interest as more land seizures occurred.² The land seizures, occurring only two and a half months after an extensive devaluation of the Mexican peso, focused attention on the precarious economic condition of farm workers and the critical difficulties facing the central government of México.³ This crisis reflected the basic philosophy of the Mexican Revolution of 1910 and its inherent contradictions in the conflict between the distribution of land to landless workers and the protection of private agricultural land.⁴ The impact of the industrial and agricultural policies of President Echeverría (1970-76) significantly sharpened this contradiction.

Since 1915, agricultural policy has focused predominantly on the restoration and distribution of land to farm workers.⁵ The *ejido*⁶ has

1. Los Angeles Times, Nov. 20, 1976, § I, at 13, col. 1.

2. Los Angeles Times, Nov. 30, 1976, § I, at 10, col. 1.

3. Los Angeles Times, Sept. 10, 1976, § I, at 1, col. 1.

4. L. PADGETT, THE MEXICAN POLITICAL SYSTEM 39 (1966) [hereinafter cited as PADGETT, POLITICAL SYSTEM].

5. G. HUIZER, PEASANT ORGANIZATION IN THE PROCESS OF AGRARIAN REFORM IN MEXICO 141 (1969) [hereinafter cited as HUIZER]. The following chart demonstrates land distributions made by eleven presidents from 1915 to 1959. Note that the first president to complete his six-year term of office since the Mexican Revolution is Lázaro Cárdenas, who distributed the greatest quantity of hectares. One hectare is equivalent to 2.48 acres.

Years		Hectares
1915-1920	Venustiano Carranza	224,393
1920-1921	Adolfo de la Huerta	157,532
1921-1925	Alvaro Obregón	1,677,057
1925-1929	P. Elias Calles	3,195,028
1929-1930	Emilio Portes Gil	2,065,847
1930-1933	Pascual Ortiz Rubio	1,203,737
1933-1935	Abelardo Rodríguez	2,094,637
1935-1941	Lázaro Cárdenas	20,072,957
1941-1947	M. Avila Camacho	5,327,942
1947-1953	Miguel Alemán	4,057,933
1953-1959	A. Ruíz Cortínez	3,664,379
total		43,741,512

6. The word *ejido* is a descendant of the Latin verb *exire*, "to go out". In Spain

been the basic mechanism to effectuate land distribution. It must be emphasized, however, that the *ejido* is not the land itself, but is the community formed by the beneficiaries, *the ejidatarios*.⁷ The *ejido* is more than a legal and economic entity.⁸ It is the symbol of Mexican democracy and liberty within the context of social justice.⁹ The *ejido* boldly states "México for the Mexicans" and "land for the peasants".¹⁰ The *ejido* remains basic to the Mexican Revolution not only as evidence of land distribution, but because it gives indispensable political support to the government and gives continuity to the revolutionary outlook in governmental and social institutions.¹¹

To understand the current conditions in México, it is necessary to examine the nation's institutions and policies, to trace their growth and development, and to assess the effect that the Echeverri administration will have on the future of México. Because the future of México, as a developing country, is inextricably tied to its land and the welfare of its farm workers,¹² the political, economic, and social developments will be measured in this Comment against the *ejido* and agricultural policies. Attention will be focused first on the early days of the Revolution up to 1934, when President Lázaro Cárdenas took office.¹³ This second period was prophetic, for the radical activities of the Cárdenas administration appear to parallel the policies of President

the term was applied originally to the uncultivated lands lying on the outskirts of a rural village. These lands were held collectively. In present-day México the word is used in connection with lands granted to villages under the agrarian reform, and is sometimes extended to the village itself. Thompson, *Land for Peons—Agrarian Reform in México*, in *THE EVOLUTION OF LATIN AMERICAN GOVERNMENT* 562 (A. Christensen ed. 1951) [hereinafter cited as Thompson].

7. Karst, *Legal Institutions and Development: Lessons from the Mexican Ejido*, 16 U.C.L.A. L. REV. 282 (1960) [hereinafter cited as Karst]. The *ejido* as a communal agrarian institution was a uniquely designed mechanism to place the land in the hands of the farm worker. For the purpose of protecting him from losing the land, it devised an elaborate paternalistic structure to oversee its functions. See note 45 *infra*.

8. H. NAVARRO BOLANDI, *LA REVOLUCION MEXICANA Y SU PROCESO EVOLUTIVO* 307 (Mex. 1969) [hereinafter cited as NAVARRO BOLANDI].

9. Padgett, *México's One-Party System: A Re-Evaluation*, 51 AM. POL. SCI. REV. 1006 (1957) [hereinafter cited as Padgett, One-Party System].

10. Constitution of México (*Constitución Política de los Estados Unidos Mexicanos*) art. 27, § 1, as amended [O.A.S. trans. 1972] [hereinafter cited as MEX. CONST.].

Only Mexicans by birth or naturalization and Mexican companies have the right to acquire ownership of lands, waters, and their appurtenances, or to obtain concessions for the exploitation of mines or of waters.

11. Padgett, *One-Party System*, *supra* note 9, at 996, 1001.

12. Thompson, *supra* note 6, at 561.

13. *Id.* at 564. This short article is an excellent exposition of Lázaro Cárdenas, who was president from 1934 to 1940.

Echeverría. Following an investigation of the first two revolutionary eras, a study of the third period from 1940 to 1970 will be made. This span of thirty years involved growth and consolidation of the fruits of the Revolution. The last and most recent period to be investigated concentrates on President Echeverría's agricultural and economic policies during his term of office which started in 1970 and ended November 30, 1976. This period exemplifies the conflict between basic revolutionary tenets and the inherent contradictions in their application.

I. FORMULATION OF THE REVOLUTIONARY PHILOSOPHY

Before attempting to study the conflicts of the Echeverrián period, a firm grasp of the revolutionary philosophy that underlines Mexican land reform is required. The Mexican Revolution started in 1910 with the overthrow of President Porfirio Díaz. First elected in 1876 under a no-reelection platform, Díaz held office eight times, seven of which were consecutive terms.¹⁴ Under his administration, the development of México was primarily centered around foreign investors in mineral resources, construction of railroads to transport these resources, and continued expansion of large estates owned by Mexican, Spanish, German, English, and United States citizens, individually or as corporations.¹⁵

The War of Reform of 1857¹⁶ and the Law of Reform¹⁷ were designed to protect and insure the continued existence of the indigent population by allowing for individual parcelization of communal land.¹⁸ Instead, wholesale confiscations of Indian communal lands were carried out through the legal trickery of Díaz's supporters.¹⁹ As a result, the peasants found themselves trapped in a system barely distinguishable from serfdom²⁰ in which the farm worker, by purchas-

14. E. BOLTON, HISTORY OF THE AMERICAS 341 (1935).

15. Thompson, *supra* note 6, at 366-69.

16. The War of Reform (1857-60) was fought to vindicate the social revolutionary Constitution of 1857, led by President Benito Juárez, a full-blooded Indian who learned to read and speak Spanish while in his teens. He is often compared to Abraham Lincoln as the liberator of his people. Dozer, *Roots of Revolution in Latin America*, in THE EVOLUTION OF LATIN AMERICAN GOVERNMENT 303 (A. Christensen ed. 1951). See also PADGETT, POLITICAL SYSTEM, *supra* note 4, at 17.

17. NAVARRO BOLANDI, *supra* note 8, at 306.

18. *Id.*

19. L. DUGGAN, THE AMERICAS, 13 (1949).

20. P. FRIEDRICH, AGRARIAN REVOLT IN A MEXICAN VILLAGE 4 (1970) [hereinafter cited as Friedrich].

[B]etween 1883 and 1910, over 27 per cent of the total area of the Republic [of Mexico] was conveyed to private companies. Twelve states were left with no

ing the necessities of life from the landowner's stores, effectively surrendered his independence.²¹ Underlying the political and social confusion of the Mexican Revolution, was the peasants' urgent and implacable demand for land. The need to provide for a permanent solution for the destitute farmers was apparent.²²

With battles raging in the countryside, Luís Cabrera wrote the Law of Grants and Restitutions.²³ The decree was issued officially on January 6, 1915, by Provisional President Venustiano Carranza. It categorically declared null and illegal all acts of division and alienation of communal and tribal lands, waters and forests subsequent to 1856.²⁴ The restitution and distribution of land was the cause and the result of the Revolution. In order to expedite this restoration, the decree provided for a National Agrarian Commission to supervise the process and to set up various state and regional agrarian commissions not only to receive petitions but to act upon them as well.²⁵

Article 27 of the Mexican Constitution of 1917²⁶ continued this approach, but specifically added that the national territory originally belonged to the nation and only the nation had the power to transfer dominion over national land.²⁷ The article extended the concept of public ownership by requiring that expropriations be effected only for

"public lands" at all. By 1910, 14,000,000 Mexican peasants, many of them Indians, were trapped in a system of hired labor and peonage that often differed little from serfdom. By 1911, 95 percent of all rural families in all but five states were landless. The landless peasants had become a rural laboring class for some 20,000 landholders of mestizo and foreign extraction. Over 90 percent of Mexico's best land was effectively controlled by less than five percent of the population. . . . Beneath the political slogans and the social confusion of the Mexican Revolution (1910-1920) there surged the peasants' urgent and implacable demand: *la tierra*.

21. PADGETT, POLITICAL SYSTEM, *supra* note 4, at 187.

22. FRIEDRICH, *supra* note 20, at 4.

23. NAVARRO BOLANDI, *supra* note 8, at 306.

24. *Id.* at 309-11.

25. *Id.* at 306.

26. MEX. CONST., art. 27, reads in part:

Private property shall not be expropriated except for reasons of public use and subject to payment of indemnity.

The nation shall at all times have the right to impose on private property such limitations as the public interest may demand, as well as the right to regulate the utilization of natural resources which are susceptible of appropriation, in order to conserve them and to ensure a more equitable distribution of public wealth. With this end in view, necessary measures shall be taken to divide up large landed estates; to develop small landed holdings in operation; to create new agricultural centers, with necessary lands and waters; to encourage agriculture in general and to prevent the destruction of natural resources, and to protect property from damage to the detriment of society. Centers of population which at present either have no lands or water or which do not possess them in sufficient quantities for the needs of their inhabitants, shall be entitled to grants thereof, which shall be taken from adjacent properties, the rights of small landed holdings in operation being respected at all times.

27. *Id.*

public utility and through indemnification. Additionally, it provided that the nation has the right to impose such methods as the public interest dictates.²⁸ The basis for payment of the expropriated property was the declared value for land tax purposes, plus ten percent.²⁹

Article 27 gives the President of the Republic all necessary powers to formulate and determine the institutions of land tenure, its forms and its financial support.³⁰ The concepts of national ownership of land, restoration of communal and tribal land to the community, expropriation based on public utility, and limitations on private ownership, remain basic to the revolutionary and constitutional philosophy.³¹ The President, under the Law of Agrarian Reform, has all the powers to achieve these goals and absolute authority in all agrarian matters.³²

A. Controversy Over Land Distribution

These presidential powers granted by article 27 of the Mexican Constitution and the Land Reform Laws did not put an end to the conflict and unrest in the countryside.³³ The demand for food and land compelled President Adolfo de la Huerta³⁴ to issue a decree on June 23, 1920, entitled the Law on Idle Lands.³⁵ The decree specified the conditions under which idle land was to be cultivated by the nonowner peasants and how the land would be returned once harvested.³⁶

The first major revision of this decree was a limitation proclaimed by President Alvaro Obregón on August 2, 1923.³⁷ By decree, he

28. *Id.*

29. Thompson, *supra* note 6, at 568. Land owners were offered 20-year, five percent bonds in payment. Service on the bonds was not kept up and within a few years they dropped to one-tenth of their value.

30. MEX. CONST., art. 27 pertains to land tenure; art. 73 pertains to national monetary and credit policies.

31. The New Agrarian Reform Law, (*Nueva Ley de Reforma Agraria*) (Editorial Libro-Mex., Mexico 1976) [hereinafter cited as Law of Agrarian Reform].

32. *Id.* art. 8.

33. PADGETT, POLITICAL SYSTEM, *supra* note 4, at 23-26.

34. *Id.* at 23. President Adolfo de la Huerta is to be distinguished from General Victoriano Huerta, who made himself president after the imprisonment and eventual assassination of President Francisco I. Madero, the leader of the anti-Díaz revolutionary faction.

35. Law of Idle Lands, (*Ley de Tierras Ociosas*) in Official Daily of México (*Diario Oficial*) June 23, 1920, in New Law of Agrarian Reform (*Nueva Ley de Reforma Agraria*) (Editorial Libro-Mex, México, 1976).

36. *Id.* art. 7-15. The first codification of the Law of Agrarian Reform was in 1934.

37. Decree of August 2, 1923, Entitling Every Mexican of Eighteen Years of Age to the Acquisition of National or Idle Lands (*Decreto De 2 De Agosto De 1923, Facultando*

excepted such land that the government may reserve for colonization, forestry or other uses according to express laws.³⁸ Political instability continued in the aftermath of the revolution as evidenced by the inability of elected or appointed presidents to complete their six-year term of office.³⁹ Land distribution was affected similarly. Land expropriation and distribution and grants of agrarian rights to peasants were subjected to the vagaries of each president's philosophy and the prevailing political climate.⁴⁰

By 1930, there existed a distinct probability that the demand for land⁴¹ could be satisfied. The total population numbered 16,296,000 in 1929⁴² and nearly 14,600,000 hectares was considered to be cropland suitable for cultivation.⁴³ Despite the recent and protracted armed rebellion, land distribution and the creation of *ejidos* was at the center of controversy and continues to the present time.

A Todo Mexicano Mayor de Dieciocho Años Para La Adquisición De Tierras Nacionales O Baldías in Official Daily of México (*Diario Oficial*) Aug. 11, 1923 in New Law of Agrarian Reform (*Nueva Ley de Reforma Agraria*) (Editorial Libro-Mex., México, 1976).

38. *Id.* art. 1.

39. See note 5 for the time each president actually served despite the six-year constitutional term of office.

40. PADGETT, POLITICAL SYSTEM, *supra* note 4, at 188-92.

41. NATIONAL UNIVERSITY OF MEXICO & ADVERTISING COUNCIL, INC., ROUND TABLE ON RURAL DEVELOPMENT (México, 1965). The land in México is extremely irregular and mountainous. It encompasses 200,000,000 hectares, 75% mountains, 8% level and 17% rolling. The availability of water is crucial to its utility. Of the total, 150,000,000 hectares are considered agricultural of which 90,000,000 hectares are designated for pasture, 30,000,000 hectares are forested and 20,000,000 hectares are suitable for seasonal and permanent crops. The remaining 50,000,000 hectares are considered desert.

42. Pérez López, *The National Product of México: 1895 to 1964*, in MEXICO'S RECENT ECONOMIC GROWTH 27 (M. Urquidi trans. 1967) [hereinafter cited as Pérez López].

43. R. HANSEN, THE POLITICS OF MEXICAN DEVELOPMENT 34 (1971) [hereinafter cited as HANSEN]. The following chart demonstrates the expansion of cultivated cropland from 1930 to 1960. Note the reduction in the percentage of *ejido* cropland as the amount designated cropland increases.

DISTRIBUTION OF CROPLAND AND CULTIVATED LAND				
Land Category	1930	1940	1950	1960
Total Cropland (in million of hectares)	14.6	14.9	19.9	23.8
Ejido cropland (% of total)	13	47	44	43
Total Land Cultivated (in millions of hectares)	7.3	7.9	10.9	13.8
Ejido Land Cultivated (% of total)	15	49	49	47

One important factor that has contributed to this controversy has been the lack of individual title certificates. Approximately five percent of all *ejidos*⁴⁴ have titles describing the *ejidatario's* land and his specific entitlement to work the land. In about ten percent of the *ejidos*, a final decision by the national government to grant the land to the *ejido* was not made.⁴⁵

Because most of the *ejidos* have a general unsurveyed title certificate, boundary disputes frequently arise among the owners of "small property"⁴⁶ and other landholdings of varying sizes. Not only boundary line and title controversies, but disputes over water allocation among all three types of landholders have continued to create protracted conflict.⁴⁷ Compounding this problem and making title-tracing

44. The *ejido* is not the land; it is the community formed by the *ejidatarios*. Karst, *supra* note 7, at 282. The *ejido* has the right to hold legal title to the land, but this right is only to its use. *Ejido* land is inalienable and cannot be mortgaged. Law of Agrarian Reform, *supra* note 31, art. 52 provides:

The rights that the centers of population acquire over agrarian land shall be inalienable, imprescriptible, unattachable, nontransferable and they will not, under any circumstance or in any form, alienate, deed, transfer, rent or lease, mortgage, or encumber, in whole or in part. Such acts, contracts or operations that shall be executed or that, under pretense of abiding by this section, be contrary to it are declared nonexistent.

Translation provided by the author.

45. Karst, *supra* note 7, at 293. The *ejidatarios* lead a precarious, insecure existence. The *cacique* is the leader and political boss who is, by default, in charge of granting, transferring or denying a grant to an eligible worker. The *cacique* often grants such entitlement to his own friends. The practice of renting or leasing, though forbidden, is widespread. Many *ejidatarios* and their children work in the major cities due to the underemployment of agricultural workers.

46. "Small property" is defined in the Constitution, art. 27, § 15, as follows: Small agricultural property is that which does not exceed one hundred hectares of first-class moist or irrigated land or its equivalent in other classes of land, under cultivation.

To determine this equivalence one hectare of irrigated land shall be computed as two hectares of seasonal land; as four of good quality pasturage (*agostadero*) and as eight as *monte* (scrub land) or arid pasturage.

Also to be considered as small holdings are areas not exceeding two hundred hectares of seasonal lands or pasturage susceptible of cultivation; or one hundred fifty hectares of land used for cotton growing if irrigated from fluvial canals or by pumping; or three hundred, under cultivation, when used for growing bananas, sugar cane, coffee, henequen, rubber, coconuts, grapes, olives, quinine, vanilla, cacao, or fruit trees.

Small holdings for stockraising are lands not exceeding the area necessary to maintain up to five hundred head of cattle (*ganado mayor*) or their equivalent in smaller animals (*ganado menor*-sheep, goats, pigs,) under provisions of law, in accordance with the forage capacity of the lands.

Whenever, due to irrigation or drainage works or any other works executed by the owners or occupants of a small holding to whom a certificate of non-affectability has been issued, the quality of the land is improved for agricultural or stockraising operations, such holding shall not be subject to agrarian appropriations even if, by virtue of the improvements made, the maximums indicated in this section are lowered, provided that the requirements fixed by law are met.

47. Padgett, One-Party System, *supra* note 9, at 1001.

impossible are the original presidential decrees.⁴⁸ Various reports have sought to reconcile the earlier grants, but there are wide discrepancies regarding the total number of hectares, the number of *ejidatarios* and the quantity of hectares for each family.⁴⁹

An even sharper area of controversy has centered around the role of the *ejido*. By mid-1933, a sharp division of opinion had developed between two groups of Mexican leaders regarding the program and goals of agrarian reform.⁵⁰ The *veteranos* charged that the *ejido* had not lived up to expectations.⁵¹ As a system of collective or communal holding, the *ejido* was declared to be economically inefficient and the plots assigned were thought to be too small for cultivation by modern

48. HUIZER, *supra* note 5, at 141. This chart demonstrates the differences that arise from using different sources. Compare Mr. Huizer's chart in note 5. Both charts are from the same source, yet they credit each president with a different total. It is exceedingly difficult to resolve boundary line and title controversies with defects in the original grants.

Year	Total hectares distributed	Number of ejidatarios	Average area per ejidatario
1915-20	172,997	46,050	3.8
1921-24	1,556,983	161,788	9.6
1925-28	3,045,802	301,587	10.0
1929	1,749,583	126,317	18.8
1930-32	1,520,139	192,690	10.2
1933-34	1,924,149	158,139	12.8
1935-40	17,609,139	771,640	22.9
1941-46	3,335,575	114,571	29.1
1947-52	3,998,807	73,041	54.7
1953-58	3,198,780	250,222	12.7
total	38,111,954	2,196,045	17.3

49. HANSEN, *supra* note 43, at 34. When comparing this chart with the charts *supra* note 5 and 48 the differences become more pronounced. Note the differences in total hectares distributed, differences in number of *ejidatarios* benefited and the average area per *ejidatario*.

Recipients of Land by Presidential term since 1915

End of Term (year)	President	Recipients Number	Average Hectares	Cumulative Number of Recipients
1920	Carranza	46,398	3.6	46,398
1920	De La Huerta	6,330	5.3	52,728
1924	Obregon	128,568	8.6	181,196
1928	Calles	297,428	10.6	478,624
1930	Portes Gil	171,577	10.0	650,201
1932	Ortiz Rubio	64,573	14.6	714,774
1934	Rodriguez	68,556	11.5	783,330
1940	Cardenas	811,157	22.1	1,594,487
1946	A. Camacho	157,536	37.7	1,752,023
1952	M. Aleman	97,391	49.7	1,849,414
1958	Ruiz Cortinez	231,888	21.1	2,081,302
1964	Lopez Mateos	304,498	37.3	2,385,800

50. Thompson, *supra* note 6, at 562.

51. *Id.*

methods.⁵² It was argued further that the *ejido* should be considered a transitory form of agricultural organization.⁵³ Their opponents, the *agraristas*, demanded that complete socialization of the land be regarded as permanent and recognized as a new social and economic organization of agricultural life.⁵⁴

Two events in December, 1933, clearly turned the balance in favor of the *agraristas*. The first complete agrarian code was put into effect by President Rodríguez and, except for article 27 of the Constitution, the code has remained the most important statement of the goals and procedures regarding agrarian reform.⁵⁵ Moreover, during that same month, the Revolutionary Party chose Lázaro Cárdenas as their candidate for president.⁵⁶ The critical issue was whether the agrarian programs would be founded upon the concept of small property purchased by the peasantry, or upon the idea of the *ejido*.⁵⁷

II. CARDENAS' POLICIES SHAPE THE FUTURE OF MEXICO

The idea of the *ejido* triumphed with the election of Cárdenas. The *ejido* became the vehicle to provide the economic independence and civil liberty promised to the peasants by the Mexican Revolution.⁵⁸

52. *Id.* at 563.

53. *Id.*

54. *Id.*

55. PADGET, POLITICAL SYSTEM, *supra* note 4, at 191.

56. *Id.* at 192.

57. *Id.*

58. Thompson, *supra* note 6, at 564. This short article is an excellent exposition of Lázaro Cárdenas, President during 1934-40. Thompson quotes the following speech Cárdenas delivered in the city of Torreón on November 30, 1936.

In the early stages of the Revolution there may possibly have been some people in whose mind the *ejido* was but a mere supplement to the wage-earning system and insufficient in itself to guarantee the land laborer the economic independence that is the foundation of every civil liberty. But this view exerts no influence whatsoever on the fulfillment of the duties of the Government today. Groups of peasants were in the past given worthless bits of land, and lacked farming implements, equipment, credit, and organization. . . . But the nation's conception of the *ejido* has been in reality far other As an institution [the *ejido*] shoulders a double responsibility: as a social system it must make the country worker free from the exploitation to which he was subject under the feudal as well as under the individualistic system; and as a system of agricultural production it must render such a yield as to provide the country at large with food

The Constitution further guarantees the permanence and the stability of the *ejido* institution, preventing its absorption by large estates as well as its degeneration into individual holdings so small as to defeat the ends desired of it.

The ideas expressed here have remained part of the ideology and beliefs of agrarian workers and repeatedly have been expressed in the recent land occupations by farm workers.

From 1915 to 1935, land distributed to *ejidos* totaled approximately 10,000,000 hectares which benefited between 783,000 to 986,000 *ejidatarios*, depending upon which tables are consulted.⁵⁹ Yet, the needs of 2,500,000 peasants and their families remained unsatisfied while the agricultural census of 1930 revealed that more than eighty percent of all land remained in private hands in plantations of 1,000 hectares or more.⁶⁰

Cárdenas, at the center of national controversy and international disputes, doubled not only the amount of land expropriated and distributed to *ejidos*, but also the number of beneficiaries.⁶¹ In order to expropriate such large quantities of agricultural lands and other mineral, oil, commercial, and railroad property, Cárdenas pushed through the protection of "small property" by amending article 27 of the Constitution on January 9, 1934.⁶² This concession to supporters of private property enabled Cárdenas to express his concern for land distribution unfettered.

His activities centered on regional patterns. In the Yucatán peninsula, forty individuals controlled fifty percent of the henequén fiber production.⁶³ In 1937, Cárdenas expropriated 100,000 hectares and distributed them to 8,000 families.⁶⁴ He created one of the first state enterprises. This was a state sponsored organization to regulate the production and control the sale and manufacture of twine.⁶⁵ The Laguna region, located in north-central México and noted for wheat and cotton cultivation, was owned primarily by British and Spanish

59. See notes 4, 48 and 49.

60. Thompson, *supra* note 6, at 561.

61. See notes 48 and 49 for these quantities. Dr. Padgett describes Cárdenas in the following manner:

Once in the presidency Cárdenas began to build the political strength he would need to expand the drive toward revolutionary goals far beyond the limits marked off by Obregón and Calles. He began by moving simultaneously in a number of directions. . . . Cárdenas placed himself fully in the mainstream of the revolutionary heritage by pushing a bill through the Congress in 1936 which made any property defined as having "public utility" subject to expropriation. The constitutional basis of the law was Article 27, and it was designed to fill in gaps in the Agrarian Code of 1934. The President was given nearly unlimited discretion to determine what was susceptible of expropriation. The law was applied to industrial and commercial as well as to agricultural property.

PADGETT, POLITICAL SYSTEM, *supra* note 4, at 35-36.

62. DE NAVARRETE, BIENESTAR COMPESENO Y DESARROLLO ECONOMICO 136 (México, 1971) [hereinafter cited as DENAVARRETE, BIENESTAR CAMPESINO]. See note 46 for the definition of small property.

63. Thompson, *supra* note 6, at 567.

64. *Id.*

65. *Id.*

nationals. Cárdenas expropriated large quantities of this land and, in accordance with the new definition of "small property" under article 27, the previous owners were allowed to select 150 hectares of humid land and a proportionate share of pasture land.⁶⁶ In the Yaqui Valley which is located in the northwestern State of Sonora and the scene of recent conflicts,⁶⁷ Cárdenas expropriated 20,000 hectares from United States citizens.⁶⁸

Cárdenas was aware that land distribution alone would not bring the revolution into reality or end the unrest in the countryside. He saw the need to go beyond the National Bank of Agricultural Credit, whose funds were controlled by large land owners, and in 1935 established the National Bank of Ejido Credit. The Ejido Bank was designed to meet the specific needs of the *ejidos*.⁶⁹ Not only did Cárdenas' move effectively separated the two land tenure systems, but it cut deeper. The separation managed to separate the *ejido* from the normal economic channels resulting in the envelopment within its own communal philosophy while the rest of agriculture, as well as the urban and commercial developments, kept the private property individualistic philosophy.

The creation of the Ejido Bank was crucial to the survival of the *ejidos*. Initially, the credit advanced to the newly created 'community societies of credit' worked well.⁷⁰ Yet, in spite of these auspicious beginnings, the Ejidal Bank became the subject of suspicion by the *ejidatarios*. In the past, the Ejido Bank has often failed to recover payment of its loans and, therefore, these loans were regarded as subsidies.⁷¹

Distrust was fostered further by the Ejido Bank's policies. Pres-

66. *Id.*

67. Los Angeles Times, Nov. 20, 1976, § I, at 13, col. 1.

68. Thompson, *supra* note 6, at 567-69. After service on the old foreign debt had been suspended for 15 years, the Mexican government signed the Agreement of November 1941, with the United States government, under which debts resulting from general claims derived largely from the armed rebellion were consolidated. In November, 1942, México signed a new agreement with the International Committee of Bankers, consolidating the debts of the Agreement of 1922 on favorable conditions that fixed México's obligations at the rate of one peso to the dollar, when the rate of exchange was 4.85 pesos to the dollar. A. Navarrete, *The Financing of Economic Development*, in MEXICO'S RECENT ECONOMIC GROWTH 120-21 (M. Urquidi trans. 1967) [hereinafter cited as A. Navarrete, Financing].

69. Thompson, *supra* note 6, at 565.

70. *Id.* The first year two-thirds of the credit advanced was allocated to personal needs and the remaining one-third for seeds, animals and implements. More than half the money was repaid within one year.

71. Karst, *supra* note 7, at 291.

ently, bank credit is in specie such as seed, fertilizer and insecticides. If the Bank is late in delivering these inputs, as is frequently the case, the *ejidatario* may miss the best time for planting.⁷² The Bank insists that borrowers purchase crop insurance even though this requirement is not well received or understood by the *ejidatarios*.⁷³ Additionally, the Bank deducts the cost of social security payments⁷⁴ from the loans. The *ejidatarios* view the local credit societies as a creation of the Ejidal Bank and in effect, a substitute for the former landowner.⁷⁵ In theory, these societies are composed of five *ejidatarios*. The Bank does not attempt to enforce these joint obligations but the *ejidatarios*, nevertheless, retain this impression.⁷⁶

For these and other reasons, the *ejidatarios* turn with great frequency to private money lenders, even though their rates may be twice the rates of the Ejido Bank.⁷⁷ Despite these failings, in 1936 the proportion of *ejidatarios* actually receiving credit from the Ejido Bank was thirty percent. This proportion, however, has steadily declined in the succeeding decades.⁷⁸

Two significant developments were initiated by Cárdenas and became basic to the current conflict. The first occurred in August of 1940 at an extraordinary session of the National Congress for the purpose of proposing a new Agrarian Code. The most significant action was the grant of certificates of inaffectability for private agricultural property.⁷⁹

The second development was the magnitude of federal investment

72. *Id.*

73. *Id.* at 292.

74. [1972] MEX. LAB. & SOC. SEC. LAWS (Sp.-Engl. ed. CCH). Soc. Sec. article 4, § 4. *Ejidatarios*, joint tenants, small agricultural or livestock owners are covered by the terms of art. 8, which provides, in part,

. . . the Federal Government shall pay fifty percent of the respective premiums. . . . The National Bank for Agricultural Credit, the National Bank for Ejido Credit, and the regional banks referred to in the Agricultural Credit Law, shall grant credit in the amounts necessary to satisfy the Social Security contributions in those areas in which the social security system has been or is extended to agricultural workers.

Note that Social Security is not universal. Periodically, new areas or regions or occupational groups are brought under the program.

75. Thompson, *supra* note 6, at 566.

76. Karst, *supra* note 7, at 292.

77. *Id.* at 291.

78. HANSEN, *supra* note 43, at 82. See note 145 and 177 *infra*.

79. DE NAVARRETE, BIENESTAR CAMPESINO, *supra* note 62, at 136. The code expanded the *ejidos* to dry lands, sanctions for code violations were added, the communal grants received legal status, land for livestock was included in the issuance of certificates of inaffectability. This code was promulgated on December 31, 1942. See notes 107-09 for the Agrarian Reform Code sections.

in roads and irrigation.⁸⁰ These expenditures shot from approximately 25% of the total federal investment to 45% from the period of 1935 to 1939.⁸¹ For the first time the North and North Pacific regions received substantial input for federal roads and irrigation.⁸² These expenditures were designed to aid the *ejidos* directly. During this period, the North and Center regions of México contained 75% of all *ejidos*, 85% of the hectares benefited by federal irrigation, and 78% of the roads paved between 1935 and 1940.⁸³

Cárdenas' accomplishments were many, for under his direction, new stimulus was given to the drive toward greater nationalism and more effective political democracy. He led the fight for labor organization, popular education, limitation on the powers of the Church, expropriation of mineral and oil fields and, above all, agrarian reform, which remained his primary concern.⁸⁴ The amendments to article 27, his proposal for protecting agricultural and cattle raising lands from future expropriation, the distribution of nearly half the available cropland to *ejidos*,⁸⁵ the creation of the Ejidal Bank, the development of

80. C. REYNOLDS, THE MEXICAN ECONOMY 155 (1970) [hereinafter cited as REYNOLDS]. This chart demonstrates the large increases of federal spending in two key areas regarding agriculture.

Table of Total Federal Investment in Irrigation and Roads 1925-63 (percents)

	Proportion of Federal Investment in Irrigation	Proportion of Federal Investment in Roads	Roads and Irrigation as Share of Total Federal Investment
1925-29	14.1	8.5	22.6
1930-23	11.3	16.2	27.5
1935-39	18.6	26.6	45.2
1940-44	15.1	27.3	42.4
1945-49	16.5	19.9	36.4
1950-54	15.9	16.7	32.6
1955-59	11.9	13.9	25.8
1960-63	8.2	10.7	18.9

81. *Id.*

82. *Id.* at 156. This chart clearly demonstrates the beginning efforts to expand the quantity of cropland in three important regions in 1940 and affords ample evidence for the governmental policy to create commercial agriculture for domestic and foreign use. The North and North Pacific regions had extensive uncultivated land and was sparsely populated.

Hectares of Land Benefited by Major Federal Irrigation Projects
(000 hectares)

	1930	1940	1950	1958
North	2	97	363	560
Gulf	0	0	5	53
North Pacific	0	37	402	839
South Pacific	0	0	21	24
Center	15	123	247	400
Total	17	257	1,038	1,876

83. *Id.*

84. Thompson, *supra* note 41, at 568-69.

85. HANSEN, *supra* note 43, at 34.

publicly owned state enterprises, and the funneling of federal funds into irrigation and road building contributed to the remaking of a new and different social, political and economic nation. These policies became the basis for the growth and development that was to follow Cárdenas.

III. AGRARIAN AND ECONOMIC POLICIES BETWEEN 1940 AND 1970

Cárdenas' policies successfully ended the unstable political situation,⁸⁶ effectively institutionalized the Revolution and its nationalism, and provided the necessary impetus for economic growth.⁸⁷ Succeeding administrations consolidated the gains derived from these new institutions and policies. The criterion used for the careful expansion through state enterprises was based on the public interest.⁸⁸ The federal government assumed the responsibility to guide and orient, directly or indirectly, all public and private investment in agriculture, industry and other activities.⁸⁹ The *ejido* continued to receive favorable presidential attention, primarily through additional land distribution decrees.⁹⁰

The success of irrigation and road construction gave increased impetus to even larger federal projects.⁹¹ These projects involved a major policy change,⁹² for they shifted the major emphasis from the older and more heavily populated regions to the North and North Pacific regions.⁹³ It located these projects away from the majority of *ejidos* and into areas that directly benefited private owners of uncultivated lands.⁹⁴ This shift made possible the slow creation of large-scale properties, which were justified as socially desirable because of a higher level of productivity.⁹⁵ This production of commercial crops of exportable quantity made possible the importation of capital goods through the favorable balance of trade.⁹⁶

86. PADGETT, POLITICAL SYSTEM, *supra* note 4, at 39-40.

87. *Id.* at 40-43.

88. V. Urquidi, *Fundamental problems of the Mexican Economy*, in MEXICO'S RECENT ECONOMIC GROWTH 180-81 (M. Urquidi trans. 1967) [hereinafter cited as Urquidi].

89. *Id.*

90. PADGETT, POLITICAL SYSTEM, *supra* note 4, at 195. President López Mateos added 16,000,000 hectares by the end of 1964. This brought the grand total of land distributed to 59,500,000 hectares. *But see* note 49.

91. *See* note 80 and 82.

92. REYNOLDS, *supra* note 80, at 157.

93. *Id.*

94. *Id.*

95. PADGETT, POLITICAL SYSTEM, *supra* note 4, at 38.

96. HANSEN, *supra* note 43, at 63.

The success of commercial crops was beneficial to the nation, to the large landowners and, to some extent, to the *ejidos*. It is generally the quality of the land, rather than the form of ownership, which was distinguished subsistence farming from commercial agriculture in Mexico.⁹⁷ Several factors must be examined to understand the role of the *ejido* in relation to other agricultural sectors. Those factors are not only the quality of its land, but its share of total land, its productivity, the general standard of living, the levels of income, the pressures of population growth, the increases of agricultural workers, the proportion of rural to urban populations, the reliance on corn growing, official price supports for basic commodities, the relative decreased of federal funds for agriculture, the increase in federal investments in state owned industries, and the decrease in available official credit to the *ejido*.

By 1960 approximately 40,000,000 hectares had been distributed.⁹⁸ Of this amount only 1,500,000 hectares receive regular rainfall while 8,500,000 hectares have seasonal rainfall. The remainder of nearly 30,000,000 hectares, although distributed, remained unsuitable for crops.⁹⁹ Even though one-fourth of all *ejido* land is designated suitable for cultivation, only sixty-three percent of that percentage is actually cultivated.¹⁰⁰ The inescapable conclusion is that the quality of *ejido* land is generally poor with only 6,500,000 hectares actually in production.¹⁰¹ The pace of distribution actually accelerated during the 1960's, although an increasing amount of the land is marginal or not cropland at all.¹⁰² By the end of 1964, President López

97. *Id.* at 62.

98. REYNOLDS, *supra* note 80, at 141.

99. *Id.*

100. *Id.* at 144. This chart accurately shows, in the first column, the quantity of *ejido* land designated cropland and which constitutes approximately one-fourth of all land distributed. The second column states the number of hectares actually cultivated by land-poor *ejidatarios*. (thousands of hectares).

Region	Total Arable Land Distributed in Ejidos as of 1960	Total Ejidal land Cultivated in 1960
North	2,485	1,629
Gulf	1,812	1,021
North Pacific	1,095	681
South Pacific	1,622	773
Center	3,314	2,404
Mexico (total)	10,328	6,508

101. *Id.*

102. HANSEN, *supra* note 41, at 83.

Mateos added 16,000,000 hectares which brought the grand total of land distributed to 59,500,000 hectares.¹⁰³

The productivity of producing *ejido* land is on a par with other privately held land. In 1960 *ejidos* produced 36% of all farm output and marketed 34%.¹⁰⁴ Significantly, over 25% of total *ejidal* crop production was exported. These figures reveal that *ejidal* agriculture, in the aggregate, is as commercially oriented as private agriculture,¹⁰⁵ for it constitutes less than one-half of all cultivated cropland.¹⁰⁶

Private agricultural land, as defined by article 27 of the Constitution of 1917 and the Law of Agrarian Reform, is protected from expropriation if it does not exceed the predetermined limits of 100 hectares of humid or irrigated land or its equivalents.¹⁰⁷ The owner is protected in two important ways. First, he is given the right to request and receive a certificate of inaffectability,¹⁰⁸ and second, he has the right to petition for a *juico de amparo*, or an injunction.¹⁰⁹ These two

103. REYNOLDS, *supra* note 80, at 157.

104. HANSEN, *supra* note 43, at 63.

105. *Id.*

106. Derived from a comparison between the total *ejido* land actually cultivated, see note 100 *supra*, and the total private land indicated in note 111 *infra*.

107. Law of Agrarian Reform, art. 249. Article 249 provides in part:

Small properties are not affected by the concept of dotation (grants) or expansion or creation of new centers of population, if they are developed and do not exceed the following areas:

I. One hundred irrigated or humid land of first quality, or that sum which result from either kind of land in accordance with the following equivalencies in the following articles;

II. Up to 150 hectares if dedicated to growing cotton and if it derives irrigation from fluvial canals or by pumping.

III. Up to 300 hectares if developed in bananas, sugar cane, coffee, sisal, rubber, coconuts, grapevines, olives, quinine, vanilla, cacao, or fruit trees, and

IV. Such area that does not exceed that which is necessary to maintain 500 head of livestock (cattle, horses) or its equivalent in smaller livestock (sheep, goats).

Translation provided by the author. See note 26, *supra*, which describes the power to expropriate land and note 46, *supra*, for the definition of small agricultural property.

108. *Id.* art. 257, which provides in part that any owner or possessor of any arable land, to the extent of article 249, who is utilizing or developing the land, has the right to obtain a declaration of inaffectability and to the issue of the appropriate certificate. No accord will be issued, nor will a certificate of inaffectability be granted that results from a division of property unless the proponent prove that it is legal and effective and each of the divisions is worked individually by each of its owners. Translation provided by the author.

109. *Id.* Article 219 also provides that land that is not within the maximum limits, that is capable of being appropriated and has not received certificates of inaffectability may petition the federal government for indemnity, but may lose the right of petition one year after publication of the expropriation in the *Diario Oficial*. Translation provided by the author.

protections have been used successfully by owners of large tracts to accumulate and preserve considerable quantities of such land from expropriation.¹¹⁰

Within the category of private agricultural land is another segment of farmers which usually are unnoticed because they farm miniparcel plots that closely resemble the *ejido* plot. In 1960, nearly 1,000,000 farmers cultivated an average of 1½ hectares per family.¹¹¹ Even though they constitute 77% of all private owners, they controlled only 11% of all privately owned farmland.¹¹² In the *ejido* sector over 45% of all *ejidatarios* farm between one and four hectares.¹¹³ With the combination at these two sectors, 2,000,000 farmers, private and

110. The usual method has been to register portions of such land in the names of various members of a family. Under the administration of President López Mateos many large farms and pastoral operations enjoying certificates of inalienability were to see their certificates revoked during the ensuing years. Within two years of taking office there had already been distributed 3,200,000 hectares of land. Over the six-year period, 119,801 certificates of agrarian rights were issued. Much of the land distributed was public land. The government had prepared new centers of population in order to resettle persons away from old and exhausted lands in the center of México. PADGETT, POLITICAL SYSTEM, *supra* note 4, at 195.

111. HANSEN, *supra* note 43, at 78. This chart shows the two extremes in landholdings. Approximately 929,000 miniparcel farmers held nearly 11% of total private land but 2,000 individuals controlled more than 35% of the available private land.

DISTRIBUTION OF PRIVATE CROPLAND, 1960

size of holdings (in hectares)	Number of Holdings		Total Area	
	Thousands	%	Thousands	%
Up to 5	929	77.2	1,461	10.8
5.1-10	95	8.0	665	4.9
10.1-25	103	8.6	1,581	11.7
25.1-50	22	1.8	1,499	11.1
100.1-200	10	0.8	1,329	9.9
200.1-400	3	0.3	888	6.6
400.1 and over	2	0.2	4,787	35.5
Total	1,201	100.0	13,490	100.0

Since 1960, the continued expansion of irrigation has brought more land into production lowering the proportion of cultivated *ejido* land even more.

112. *Id.*

113. *Id.* at 79. This chart demonstrates by percentages the condition of the majority of *ejidatarios*.

DISTRIBUTION OF EJIDAL CROPLAND, 1960

Cropland per Ejidatario (in hectares)	Ejidos		Ejidatarios	
	Number	%	Number	%
Up to 1	1,124	6.2	147,118	9.7
1.1-4	5,681	31.0	521,044	34.5
4.1-10	7,878	43.0	612,984	40.5
over 10.1	3,618	19.8	230,979	15.3
Total	18,301	100.0	1,512,125	100.0

ejido, constitute 55% of all farmers and cultivate plots incapable of sustaining a single family.¹¹⁴ By contrast, the 1960 census registered 2,053 units or 37,800 individuals with an average holding of 2,331 hectares of cropland.¹¹⁵ It is evident from these statistics that the land distribution policies have not accomplished the goal of establishing economically independent farmers capable of sustaining more than a subsistence standard of living, as the income level and distribution will attest.

In terms of agricultural productivity, the miniparcel owner who normally farms without irrigation,¹¹⁶ official credit, farm machinery, or any of the grants available to some *ejidatarios* is the most efficient producer.¹¹⁷ He is followed by the *ejidatario* who, in turn, is followed by the owner of large private farms.¹¹⁸ These large private farms were credited with an eighty percent increase in the value of agricultural production from 1950 to 1960.¹¹⁹ This increase, however, is attributed to the large public investments in irrigation and roads that followed the Cárdenas administration and have continued to this day.¹²⁰ This investment doubled the cropland from that which existed in 1930, but the proportion of *ejido* land to private land dropped below the ratio that prevailed in 1940.¹²¹

This decrease is significant particularly because during the same period of 1950 to 1960, the population grew by nearly 10,000,000 persons.¹²² Moreover, even though there was a considerable migration from the rural to the urban areas,¹²³ the number of landless agricultural workers increased from 2,300,000 in 1950 to 3,300,000 in

114. *Id.* at 78.

115. *Id.* at 79.

116. The Law of Agrarian Reform, *supra* note 31, art. 57, which recognizes the concurrent right of "small properties" to use the available water from whatever source.

117. HANSON, *supra* note 43, at 62-63. Despite these disadvantages, the 1960 census figures reveal that the holdings under five hectares produced higher yields per hectare in several crops, including corn, cotton, and beans, than either the *ejido* or the large commercial farms. The difference is in applying the one input at their disposal, their own labor.

118. *Id.*

119. *Id.* at 80.

120. See note 82 for the regional patterns of irrigated land to 1958.

121. REYNOLDS, *supra* note 80, at 157. See also note 40 *supra*.

122. HANSEN, *supra* note 43, at 42. In 1940, the population was 20,000,000 with a 1.7 growth rate. In 1950, the population was 25,000,000 with a 2.8 growth rate. In 1960, the population was 35,000,000 with a 3.1 growth rate. In 1975, the population was estimated at 62,000,000 with a growth rate of 3.5.

123. REYNOLDS, *supra* note 80, at 93.

1960,¹²⁴ and the population growth rate had pushed this figure to 5,000,000 by 1975.¹²⁵ Estimates that the per capita rate of employment for farm workers had fallen from 194 days per year in 1950 to 100 days of work in 1960 reflect the true extent of unemployment and under-employment in the agrarian sector.¹²⁶ Total employment showed some healthy increases between 1940 and 1960 for the proportion employed increased from one-fourth to one-third of total population in this period.¹²⁷

Employment increase as an abstract concept does not project the true picture unless the levels of income are included. In 1956 the first comprehensive survey on family income comparing industrial income with agricultural income was released.¹²⁸ The survey determined that in 1950 an average of 700 pesos per month per family was barely sufficient to provide minimum food, clothing, housing and amusement.¹²⁹ It further indicated that three-fourths of all families had an income of less than 500 pesos per month.¹³⁰ While this segment re-

124. HANSEN, *supra* note 43, at 81.

125. Banco Nacional De Comercio, S.A., Comercio Exterior De Mexico, March 1975, at 82. [hereinafter cited as Comercio Exterior]. Comercio Exterior de México is an authorized monthly publication of the official Banco Nacional de Comercio, S.A. Its board of directors include the Mexican Finance Secretary, Mr. Mario Ramón Beteta, who often contributes articles to it, and Mr. Ernesto Fernández Hurtado, Director of the Banco de México, the central bank of México.

126. HANSEN, *supra* note 43, at 81.

127. Urquidi, *supra* note 88, at 174-75.

128. I.M. De Navarrete, *Income Distribution in México*, in MEXICO'S RECENT ECONOMIC GROWTH 137 (M. Urquidi trans. 1967) [hereinafter cited as De Navarrete, *Income*].

129. *Id.* at 132. Note that these findings include noncash inputs in the family monthly income.

130. *Id.* at 155. The low level of income is in inverse proportion to the degree of industrialization. Wage earners in the labor force are a good indicator of this level. The following breakdown by region illustrates their differences. As indicated earlier, public investment in agriculture has had a substantial effect in its income generating capacity. The same effect occurs in public investment in manufacturing establishments. Note that the two regions showing the highest percentages of families with income below 500 pesos per month also have 60% of its population with income of less than 300 pesos per month per family.

	Percentage Wage earners	Percentage Population	Percentage Farmer Income	Percentage Income Below 500
Federal District	70.4	24.9	1.1	50.0
North Pacific	56.6	12.1	27.2	50.2
North	43.1	19.7	36.5	75.2
Gulf of Mexico	38.0	11.6	42.0	47.4
Central	37.4	23.5	47.0	82.5
South Pacific	24.7	8.2	48.2	79.6
Mexico (averages)	43.4	100.0	36.1	78.9

ceived 38% of total income, at the opposite end of the scale, 12,000 families or 2.4% of the total had incomes of more than 3,000 pesos a month and enjoyed 32% of all available income.¹³¹

Subsequent studies in 1957¹³² and in 1961-62¹³³ revealed that 46% remained at the 500 peso level with the next lowest category of 22% receiving 300 pesos per family per month.¹³⁴ At the point where the income level rises above the 500 peso level, the urban family takes over and the rural family is left behind.¹³⁵

A partial answer to the levels of income of the rural family lie with two important governmental policies. The first has been alluded to previously and refers to large scale public investments and expenditures in agriculture.¹³⁶ These expenditures created the expansion of cropland and the increase in agricultural production and profits of large scale commercial agriculture.¹³⁷ Note that this major transfer of resources from urban to rural activities did not increase the level of spendable income of the majority of farm families.¹³⁸

A second government policy to affect rural family income is the creation of a federal agency, *Compañía Nacional de Subsistencias Populares* (CONASUPO), which is designed to control the prices of basic commodities and to provide price support guarantees to the farmers.¹³⁹ CONASUPO is in charge of buying, storing, selling and supplying basic commodities for export as well as for national consumption. Its most important goal is to intervene between the abuses and gross inequities that are perpetrated by middlemen and wholesalers upon unsophisticated farmers.¹⁴⁰ CONASUPO attempted to maximize the income received by small farmers by controlling this direct link between the producers and consumers of foodstuffs.¹⁴¹ Its

Note that percentage population figures were derived from De Navarrete Income, *supra* note 128, at 146.

131. *Id.* at 162.

132. *Id.*

133. P. GONZALEZ CASANOVA, DEMOCRACY IN MEXICO 239-40 (D. Salti trans. 1970).

134. *Id.*

135. *Id.*

136. REYNOLDS, *supra* note 80, at 178.

137. *Id.*

138. *Id.* at 155.

139. PADGETT, POLITICAL SYSTEM, *supra* note 4, at 217.

140. For an excellent portrayal of the abuses that an *ejidatario* or miniparcel farmer goes through in order to sell his crops in the produce markets, see R. Villareal Cárdenas, *La Comercialización de los Productos Agropecuarios*, in BIENESTAR CAMPESINO Y DESARROLLO ECONOMICO, (I.M. De Navarrete ed. 1971).

141. PADGETT, POLITICAL SYSTEM, *supra* note 4, at 217.

main objective is to keep prices down. The prices set by the government on basic consumption items is designed to coincide with the prevailing income levels of the majority of citizens. CONASUPO supports the government price controls by selling at a price lower than private stores which forces them to compete.¹⁴² Thus, the price guarantees on basic commodities results in an indirect subsidy by the *ejido* and miniparcel farmers in favor of the greater population.

Government policies regarding control of basic commodities, through prices and minimum wages, primarily affect the farmer and daily wage earner. An examination of the dependence upon corn-growing makes the extent and importance of these government controls apparent. The dependence on corn growing by a large proportion of *ejido* and miniparcel farmers flows naturally from the high levels of corn consumption in the rural areas.¹⁴³ Large numbers of farmers from both groups are familiar with corn, and, therefore, do not know how to grow other crops.¹⁴⁴ The money lenders do not encourage the raising of other crops because they have established market arrangements for corn and not for other more profitable crops.¹⁴⁵ The major reason for the crop's dominance, however, was the relatively high governmental price set for corn.¹⁴⁶ However, these prices remained static, inflexible and unresponsive to inflationary pressures resulting in low incomes for these farmers and a decreasing number of hectares devoted to corn growing. This development has forced the federal government in the 1970's, through CONASUPO, to import large quantities of corn.¹⁴⁷

Price controls over basic commodities was only one phase of the extensive controls exercised under the direction of the President and the executive agencies. Public investment in a mixed economy was first carried out by President Cárdenas and has been expanded pragmatically and successfully by succeeding administrations.¹⁴⁸ Public

142. *Id.*

143. *Id.* at 228. It is estimated that only 13% of the urban population do not eat bread made from wheat, while over 50% of the rural population fall in this category.

144. Karst, *supra* note 7, at 287.

145. *Id.* The importance of money lenders has been growing since the credit advanced by the Ejido Bank to the *ejidatarios* has decreased from 30% in 1936 to 14% in 1960. HANSEN, *supra* note 43, at 82. See note 177 *infra* for more recent loan levels.

146. Karst, *supra* note 7, at 287. *But see* note 173 *infra* for the detrimental effects of price controls.

147. Comercio Exterior, *supra* note 125, Feb. 1975, at 55.

148. E. Fernández Hurtado, *Private Enterprise and Government in Mexican Devel-*

works and basic investments laid the foundation for private investments with more than one-third of such investments derived from public funds.¹⁴⁹ At first, such investment was mainly in irrigation, transport and communications, electric power, and the petroleum industries.¹⁵⁰ It is significant that during this period of growth internal savings furnished nearly 90% of the capital investment in the private sector.¹⁵¹ Public financing, which was derived primarily from federal revenues, required only 9% of foreign borrowing.¹⁵²

A major governmental tactic designed to direct and guide both public and private investment through public and private banks has been the manipulation of credit. This is accomplished through a system of federal reserve requirements imposed by the central bank, which is the Bank of México.¹⁵³ These reserves range between 15% and 50% on deposit and savings banks. In order to maintain this interest free minimum deposit the banks must invest 85% of their funds under government direction.¹⁵⁴ These controls are designed to regulate the money supply, the liquidity of the economy, and to direct the available savings into the promotion of economic development, first through the public and secondly, through the private sector.¹⁵⁵

Initially, the government directed these financial flows into agriculture. It is unlikely that agricultural net savings would have been as great between 1945 and 1960 if the government had not used taxes from industry and commerce to finance the rural infrastructure in the early years.¹⁵⁶ This permitted agriculture eventually to supply loanable funds for commercial activities through the banking system and non-bank financial intermediaries.¹⁵⁷ The *ejido* sector received increasingly smaller amounts of official credits.¹⁵⁸

opment, in MEXICO'S RECENT ECONOMIC GROWTH 53-54 (M. Urquidi trans. 1967) [hereinafter cited as Fernández Hurtado].

149. *Id.* at 55.

150. *Id.* at 58.

151. A. Navarrete, Financing, *supra* note 68, at 126.

152. *Id.* at 120.

153. R.M. Beteta, *The Central Bank, Instrument of Economic Development in Mexico*, in MEXICO'S RECENT ECONOMIC GROWTH 76 (M. Urquidi trans. 1967) [hereinafter cited as Beteta].

154. *Id.*

155. *Id.*

156. REYNOLDS, *supra* note 80, at 179.

157. *Id.*

158. See note 145 *supra* and note 177 *infra*.

More importantly, Mexican agricultural development has provided an increasing source of foreign exchange earnings for the agricultural sector and an export surplus with the rest of the world.¹⁵⁹ It received appropriate official and private bank credits to finance its needs and this export surplus has enabled the industrial sector to import needed capital goods for the industrialization of México.¹⁶⁰ The pace of industrialization was in step with Mexico's ability to finance its domestic and foreign borrowings.¹⁶¹

To achieve industrialization for the purpose of solving the employment problem of México's increasing population, it was necessary to follow a policy of active governmental intervention.¹⁶² Public investment has been more than compensatory; it has been decisive in increasing the overall investment and raising the growth rate.¹⁶³ This public investment embraces not only the federal, state and municipal governments, but also the autonomous agencies and the industrial, commercial, and financial corporations partially or wholly owned by the government.¹⁶⁴

IV. AGRARIAN AND ECONOMIC CHANGES UNDER PRESIDENT ECHEVERRIA

Public investment through state enterprises had worked well under the revolutionary philosophy of government guided investment in the industrialization process. In terms of the gross national product, the share of industrial production increased to 35%, while the share of agricultural production decreased from 23% to 16% in the period from 1940 to 1967.¹⁶⁵

Not only did agriculture lose its predominant position in the economy, but it was subject to several demographic modifications. The rural population decreased from 71% to nearly 50% of total population which has impacted upon the urban centers. The rural economically active population also decreased from 65% to 54% in 1960.¹⁶⁶

During President Echeverría's term from 1970 to 1976, the situa-

159. Pérez López, *supra* note 42, at 33.

160. REYNOLDS, *supra* note 80, at 179.

161. Pérez López, *supra* note 42, at 37.

162. *Id.* at 33.

163. *Id.*

164. Urquidi, *supra* note 88, at 190.

165. HANSEN, *supra* note 43, at 43.

166. REYNOLDS, *supra* note 80, at 93.

tion became even more serious. By 1973,¹⁶⁷ agriculture's share of employment had dropped to 40% while nearly 56% of the total population was below the age of nineteen.¹⁶⁸ The total population had climbed to nearly sixty-two million persons by 1975 which included five million agricultural workers.¹⁶⁹ The inability of farmers or peasants to secure employment in the rural communities exacerbates the problems that land distribution programs were designed to solve. Total agricultural employment was under six million in 1975 with 200,000 fewer employed in agriculture than during the 1960's. While decreasing the number of subsistence farmers is a good indicator that a country's economy is proceeding to develop economically, commercial and industrial employment must provide jobs. However, total employment once again had dropped to the level that prevailed in 1940 which was one-fourth of total population.¹⁷⁰ Estimates of unemployment figures range from nine million workers or 30% of the labor force, to as high as sixteen million¹⁷¹ with unemployment in the border cities as high as 50%.¹⁷² This unemployment occurred despite the massive investment by the federal government in industrial expansion.

At the time when agriculture could not employ the number of available workers, the prices of basic commodities were frozen at the 1960s level. The guaranteed prices paid by CONASUPO continues as a major agricultural policy. These prices, with minor changes, re-

167. SEMANARIO DE NACIONAL FINANCIERA S.A., *Características Económicas del Estado de Nuevo Leon*, in EL MERCADO DE VALORES, Aug. 16, 1976, at 640.

POPULATION ECONOMICALLY ACTIVE BY OCCUPATION
 (15,087,000 employed)

	(000)	(%)
Agriculture	5,942.8	39.4
Oil Industry	98.1	.7
Mining	110.1	.7
Manufacturing	2,527.1	16.8
Construction	665.3	4.4
Electric	61.9	.4
Commerce	1,394.0	9.2
Transportation	430.0	2.8
Services	2,513.7	16.7
Government	473.7	3.1
Unspecified	870.5	5.8

168. *Id.* at 641.

169. Comercio Exterior, *supra* note 125, at 82.

170. Urquidi, *supra* note 88, at 175.

171. San Diego Evening Tribune, Jan. 26, 1977, § A, at 6, col. 1.

172. Mamulkin, *A Proposed Solution to the Problem of the Undocumented Mexican Alien Worker*, 13 SAN DIEGO L. REV. 46 (1975).

mained in force until the 1973-74 winter cycle when they doubled.¹⁷³ All three sectors of agriculture began to withdraw from growing these basic commodities which resulted in the dramatic decline of 11.5% in farm products considered basic to the diet of the people of México.¹⁷⁴ The agricultural growth rate has been averaging less than 1% per year while the population growth rate continues at 3.5% per year. Consequently there is a marked decline in per capita agricultural production.¹⁷⁵ By contrast, during this same period, agricultural exports have been increasing at 2% per year.¹⁷⁶ The growth of population, increases in farm unemployment and underemployment, together with frozen prices for farm commodities produced larger demands for jobs and for land.

Farm investments and credit show similar decreases for both private agriculture and public inputs.¹⁷⁷ Public investment in the 1970's has shown an increase only because the federal government has been compelled to import ever increasing amounts of food.¹⁷⁸ The deterioration and dislocation in the agriculture setting can be exemplified best by noting that food imports averaged 1% of total food exports in the period between 1965 and 1970. Such imports rose to 10% between 1970 and 1972 and dramatically spiraled to an average of 50% of the total farm exports by value in 1973 and 1974.¹⁷⁹ The

173. Comercio Exterior, *supra* note 125, Aug. 1975, at 270, Feb. 1976, at 56, Jan. 1975, at 15, July 1975, at 232.

The price support of corn bought by CONASUPO was 562 pesos per ton in 1956, and 680 pesos in 1957. From 1958 to 1963 it was 800 pesos; from 1963 to the summer of 1973 it was 940 pesos per ton. In the 1973-74 winter cycle it rose to 1,225 pesos, in May, 1974, to April, 1975, it rose to 1,350, in May, 1975, it rose to 1,750, and in September, 1975, it rose to 1,900. While these price supports were in effect, foreign imports of corn ranging in size from 17,000 tons to 1 million tons were purchased between 1970 and 1973. While the price support was 940 pesos per ton, the government was paying between 1,200 and 1,650 pesos per ton.

In the case of wheat the picture is similar. The support price between 1960 and 1965 was 913 pesos per ton, from 1966 to the 1972-73 winter cycle it was 800; imported wheat was purchased at 2,250 pesos a ton in 1972 and 1973. However, the price support paid by CONASUPO was 1,300 in 1973-74 winter cycle, 1,500 in the 1974-75 winter cycle, and 1,750 as of May 1975.

174. Comercio Exterior, *supra* note 125, Feb. 1975, at 55.

175. *Id.* This per capita agricultural productivity is 4.5% below the level that prevailed in 1962.

176. *Id.* at 54.

177. Comercio Exterior, *supra* note 125, Feb. 1976, at 54. Private agricultural investment had been increasing at a 10% annual rate. Private banks only contributed about 4% of the total credit in the 1970's. Public agricultural investment which averaged 20% in 1947 to 1952 dropped to 10% in the 1960's and to 8% in 1970.

178. Comercio Exterior, *supra* note 125, Jan., 1975, at 15.

cumulative effect produced by decades of neglect of the agricultural sector devoted to basic staples in favor of the sector dedicated to farm exports in order to gain foreign exchange for industrialization, has been widely and officially recognized.¹⁸⁰ This was particularly harmful to the *ejido* and miniparcel farmers who had grown to depend upon corn and other staple commodities. Faced with rigid price controls, declining farm employment, basic wage limits, and ever increasing inflation, these farmers withdrew from corn and wheat cultivation despite small increases in the price support schedules. Consequently, they reduced the quantity of hectares devoted to these staples.¹⁸¹

Lest the degree of control exercised by the national government over income and benefits be underestimated, the following example is offered. *Ejido* farmers living in the desert zones have supplemented their farm income by producing wax and wax candles. By presidential decree, the Technical Committee for the Distribution of Candelilla Wax Fund Resources raised the price per kilo of wax from nine to

179. Comercio Exterior, *supra* note 125, Feb., 1976, at 55.

The guarantee prices paid by CONASUPO for basic farm commodities is one of the most important elements of the country's agricultural policy. These prices were practically frozen for almost ten years and it was not until the first quarter of 1974 that steps were taken to adjust them to current conditions, improve peasant income and stimulate production. Guarantee prices were bolstered by two new elements: price supports and market prices. Guarantee prices are the Government's tacit commitment to buy all available production at established quotations. This refers chiefly to sesame seed, corn, sunflower seed and wheat, whose purchase is controlled by CONASUPO. Price supports are fixed to back and stimulate production in special programs, with no obligation on the part of CONASUPO to purchase available output.

Comercio Exterior, *supra* note 125, Feb., 1976 at 56.

180. Comercio Exterior, *supra* note 125, Jan., 1975, at 15. A joint statement issued by the Ministry of Agriculture and other agrarian agencies recognized this neglect:

There was a marked difference in the real income of farmers: those with artificial irrigation, credits and organization enjoyed high earnings; other, the majority, deprived of these elements, experienced a truly difficult year . . . not everything is attributable to weather conditions; it must be recognized that the administrative apparatus lacked the capacity to make credit more operative. . . . The situation will not be much improved in the next two years. The problems affecting agriculture cannot be solved overnight. We are now in the unfortunate position of having to correct conditions created over the past three decades.

Comercio Exterior, *supra*, note 125, Feb. 1975, at 55.

181. BANCO NACIONAL DE MÉXICO, BANAMEX, Nov., 1976, at 349. José López Portillo, Minister of Finance and Public Credit in President Echeverría's administration and current President of México states:

What were the alternatives? Not to use [foreign] credit or not to feed the people? For the weather had been bad and crops in 1972, 1973 and even 1974 were inadequate . . . basic grains were purchased abroad at incredibly high prices and sold cheaply at home. Wheat, for example, climbed from 900 pesos a ton in 1970 to over 2,250 pesos in 1972 and 1973 and was sold at the first price in the Mexican market

Comercio Exterior, *supra*, note 125, July, 1975, at 232.

fifteen pesos. Thus, the *ejidatarios*, producers of wax were brought into the social security system¹⁸² and the increase in price contributed three pesos per kilo to the Social Security Institute. Between April and December of 1973, these contributions amounted to 4,200,000 pesos and the cooperative candelilla fund increased by 14,500,000 pesos, which was used to improve and invest in *ejido* infrastructures.¹⁸³

The decline in grains of sufficient quantity to feed the population caused President Echeverría to transfer the state enterprise concept from industry and commerce to agriculture on July 9, 1975. He declared the formation of the National Company to Promote Food Grain Production whose working capital was to be provided by the federal government, CONASUPO, and the National Ejidal Credit Bank. These organizations are each to supply 25% of the funds needed while the National Confederation of Farmers (CNC) and the National Confederation of Small Property Farmers each will supply 12½% of the remainder.¹⁸⁴ The Company will grow food on its own land or such land that it may acquire under legal title. Additionally, it will enter into contracts with grain producers and supply them with the necessary credits, insurance, and technical assistance.

The formation of this national grain producing company was a recognition that President Echeverría's agricultural policies had failed. By buying basic commodities at artificially low prices through CONASUPO and its recently incorporated warehouses and distribution centers,¹⁸⁵ and selling the same staples at low prices to the general public,¹⁸⁶ the federal government in effect, created a system of subsidies underwritten mainly by the farmers themselves. CONASUPO's net subsidies were in the storing and transporting of these staples.¹⁸⁷ These low prices were also instrumental in maintaining artificially low daily wage levels for agricultural workers and urban laborers.¹⁸⁸ These

182. Comercio Exterior, *supra* May 1975 at 160.

183. *Id.* The social security system does not include all workers or farmers. By 1975, during the Echeverría administration, there was a large expansion from 12 to 19 million persons in a population estimated at more than 62 million. Mexican Newsletter, Feb. 29, 1976, at 3. This publication is an official report emanating from the President's Office.

184. Comercio Exterior, *supra* note 125, Aug., 1975, at 267-68.

185. *Id.* at 271.

186. *Id.* note 179 *supra*. President Echeverría stated that he had raised the price of sugar which had remained frozen for 12 years. Comercio Exterior, *supra*, note 125, Oct., 1976, at 378. *But see* note 190 *infra*.

187. *Id.*

188. Banco Nacional de Mexico S.A., Banamex, México: Statistical Data 1975, 14 (1976). Official price lists from major supermarkets show increases of 250 to 300%

price structures combined with the nonavailability of agrarian credit led to the decrease in grain production.

Agriculture was neglected and suffered damage primarily because of the concerted efforts by President Echeverría to promote and expand the industrial and commercial sectors of the economy. These efforts were evident as early as 1971 when he exerted control over the autonomous agencies and state enterprises. These efforts increased the number of state owned enterprises from 87 in 1970 to 817 in 1974.¹⁸⁹ These investments ranged from such basic industries as steel, oil, electricity, roads, airports, and telephone to such commercial and agricultural areas as newsprint, minerals, sugar, building construction, sulphur, milk, diesel motors, cardboard, and urban properties.¹⁹⁰ During this period, the declared Mexican foreign debt increased from 3,200,000,000 dollars in 1970 to 8,000,000,000 in 1974. Three-fourths of this debt was used by state enterprises and agencies to buy, create and expand government owned industries and agencies.¹⁹¹ These reports, however, appear grossly underestimated. More recent reports covering the Echeverría six-year period place the foreign debt between 20,000,000,000 and 24,000,000,000 dollars.¹⁹²

In the period between 1970 and 1974, reports placed the increase in the gross domestic product at a 23% annual average with increases of exports averaging 28% annually.¹⁹³ These two indicators remained slightly ahead of the reported 20% annual inflation factor.¹⁹⁴ More recent reports have estimated the inflation factor at 25% in 1974, 27% in 1975, and 35% in 1976.¹⁹⁵

in the last five years. Typical of these increases is 300% for bread while basic wages went up only 236% in seven years. A workman receiving the prescribed daily wage for a laborer in México would use 56% of his daily wage if he bought tortillas, beans, rice, milk and meat for his family. San Diego Evening Tribune, Jan. 26, 1977, § A, at 1, col. 1.

189. Comercio Exterior, *supra* note 125, Sept., 1975, at 344.

190. *Id.* As an example, we may take note that the sugar industry, which had only 24% governmental ownership, was increased to 55%. See note 186 *supra*.

191. Comercio Exterior, *supra* note 125, July, 1975, at 232. President Echeverría in his Sixth State of the Nation address on September 1, 1976, stated: "In this administration, public investment for the first time surpassed private investment . . ." Comercio Exterior, *supra* note 125, Oct., 1976, at 369.

192. San Diego Evening Tribune, Jan. 26, 1977, § A, at 6, col. 1. Other reports state that the foreign debt is actually 30,000,000,000 dollars.

193. Comercio Exterior, *supra* note 125, July, 1975, at 233.

194. Comercio Exterior, *supra* note 125, May, 1975, at 160.

195. San Diego Evening Tribune, Jan. 26, 1977, § A, at 6, col. 1.

The severe decline in foreign markets was felt hard particularly by the new industrial and commercial enterprises and thus, production levels fell below those levels achieved prior to 1972.¹⁹⁶ In 1974 export credits fell by one third for industrial goods but remained strong in farm commodities meaning that they were on a par with the inflation factor.¹⁹⁷ In reality exports fell by one-half and imports doubled.¹⁹⁸ The combination of these factors resulted in a balance of payments deficit in the amount of 3,643,000,000 dollars by 1975.¹⁹⁹

President Echeverría, like Cárdenas, attempted to socialize every major element of the economy, but unlike Cárdenas, Echeverría expanded productive capacity through inflation, foreign indebtedness, and by neglecting the farming sector. Echeverría instituted major legislative changes in agriculture with uneven results.²⁰⁰ One of his early steps was to amend the Federal Law on Waters. The amendment changed the list of priorities in the use of water and again emphasized that owners of more than twenty hectares may not use the new federal irrigation system.²⁰¹ In December of 1974, the Federal Agrarian Law was amended by presidential decree to permit the expropriation of *ejidal* land with full indemnification for urban uses²⁰² and the Department of Agricultural Affairs and Settlement was granted ministerial status.²⁰³ To achieve greater cohesion, several farmer organizations

196. Comercio Exterior, *supra* note 125, May, 1975, at 161. This statement was taken from an address by E. Fernández Hurtado, Director General of the *Banco de México*, the official bank in México, at the Forty-First National Banking Convention in Acapulco, Guerrero in March, 1975.

197. *Id.* at 159.

198. *Id.* at 161. This report on foreign trade shows a new classification of loans called "pre-exports" and shows an increase of 1,000% over the prior year.

199. President Echeverría's Sixth State of the Nation address, Comercio Exterior, *supra* note 125, Oct., 1976, at 371.

200. Comercio Exterior, *supra* note 125, June, 1975, at 183. This month's issue describes the situation in its editorial thus:

The present administration has begun to rectify a policy based on industrialization at any cost and agriculture as a mere source of foods, raw materials and foreign exchange. This concept, which simply seeks an increase in agricultural production, in fact has reinforced the capitalist sector, undermined the ejido system and other forms of farmer organization, and consolidated rural structures of exploitation and dominance.

201. Comercio Exterior, *supra* note 125, Jan., 1976, at 55-56. The priorities are listed in this order, domestic, urban services, watering places for livestock, land irrigation, giving preference to *ejido* and communal farms over private properties, industrial, with major importance given to the generation of electric power for public service, recreation, generation of electric power for private service, soil washing and silt fertilizing.

202. Law of Agrarian Reform, *supra* note 31, art. 117, 122, in Official Daily of México (*Diario Oficial*) Dec. 31, 1974.

203. Comercio Exterior, *supra* note 125, March, 1975, at 56.

established the basis for unification at a meeting held at Ocampo, State of Coahuila.²⁰⁴

In February of 1975 two important meetings occurred. The first was a Seminar on Farmer Organization and Agroindustrial Development which was held in Oaxtepec, State of Morelos. Among the topics discussed were the Farm Credit Law proposal, consumer credit, increase of perishable commodity markets, violation of labor laws and of the minimum wage laws, organization and registration of farm unions, and the unification of existing agricultural banks.²⁰⁵ The second meeting was held at the presidential residence of Los Piños for the purpose of announcing the National Farm Plan. The demand for food production in the period between 1975 and 1980 was estimated, and goals were set for the expansion of credit, irrigation of land and allocation of production levels regarding basic foods. These are just some of the requirements necessary before governmental credit, irrigation, and technical assistance are granted.²⁰⁶ Five months after these crucial meetings, President Echeverría decreed that the National Farm Credit Bank, the National Ejidal Credit Bank and the Agricultural Credit Bank be unified into a new organization called the National Rural Credit Bank (BANRURAL).²⁰⁷ In the same month of February, 1975, the president created the National Company to Promote Food Grains Production²⁰⁸ and the National Agricultural Sector Coordinating Commission.²⁰⁹

By November of 1975, clashes between peasants and landowners in the State of Sonora and elsewhere produced land invasions and production strikes by landowners which left several dead and wounded. This state of affairs compelled President Echeverría to issue a decree forming the Tripartite Commission for the purpose of providing a means of conciliation and arriving at a prompt resolution of agrarian conflicts.²¹⁰ The situation had become so desperate that invasions had

204. Comercio Exterior, *supra* note 125, Feb., 1975, at 56.

205. *Id.* at 84-87. Ricardo Carrillo Arronte, Director of the Lerma Plan, stated that there had never been any planning in México. There have only been poor imitations, set up to obtain credit abroad, back a political group, or ensure continuity of power from one regime to another. He asked, "How is it possible that agricultural sector planning has not been openly discussed when it is one of the main reasons why the country is suffering an acute food storage."

206. *Id.* at 85.

207. Comercio Exterior, *supra* note 125, Feb., 1976, at 56.

208. Comercio Exterior, *supra* note 125, Aug., 1975, at 267-68, in Official Daily of Mexico (*Diario Oficial*) July 9, 1975.

209. Mexican Newsletter, July 31, 1975, at 5.

210. Comercio Exterior, *supra* note 125, March 1976, at 93.

occurred even on *ejido* lands.²¹¹

The Rural Credit Law that was first proposed in October took effect in December of 1975. The law was designed specifically to encourage collective farming by providing preferential interest rates to *ejidos*, communities, rural production companies and miniparcel farmers who farm collectively.²¹² In May of 1976, legislation was approved allowing the creation of Social Solidarity Societies to be formed by laborers and peasants who donate their labor to a productive activity that is collectively owned.²¹³

V. ECHEVERRIA'S LAST YEAR OF CRISIS

These agrarian measures required time and a considerable amount of technical guidance if they were to be effective in resolving the economic and demographic problems of México. Yet, time was running out and the technical resources available to implement these agrarian measures were insufficient. Moreover, even though these measures complied with the basic philosophy of the Mexican Revolution and paralleled the depth and extent of the measures under taken by former President Cárdenas, they confronted the inherent contradictions of article 27 of the Constitution. Recall that Cárdenas amended this article by creating exceptions to the expropriation powers by granting certificates of inaffectability and by permitting landowners the use of *juicio de amparo*. This created a separate segment of agriculture that existed alongside but separate from the *ejido* system. These exceptions also permitted the urban centers to continue operating under the free enterprise system. The urban centers increasingly concentrated upon commercial, banking, construction, some industrial and agricultural enterprises, while the federal government concentrated upon state enterprises to accelerate and expand the industrialization of México.

This does not mean that the urban centers were ignored as proper subjects of federal investments.²¹⁴ In November of 1975, President

211. Mexican Newsletter, Sept. 1, 1975, at 16.

212. Comercio Exterior, *supra* note 125, Aug., 1975, at 269.

213. Comercio Exterior, *supra* note 125, July, 1976, at 248. Such a society is exemplified by the construction of 1,000 new homes in La Paz, Baja California South, México, which were needed as a result of a hurricane that swept through populated areas, killing more than 500 persons and leaving 40,000 more homeless. The 400 men working to rebuild the area will receive a house under this Mexican government relief agency project. Los Angeles Times, Feb. 25, 1977, § II, at 1, col. 1.

214. Comercio Exterior, *supra* note 125, Mar., 1976, at 93. As early as 1958, a federal majority state enterprise was enacted, *Urbanizadora de Tijuana, S.A.*, which centered its activities in the *Playas de Tijuana* development. By 1974, sufficient land for more than 580 homes and 15 business establishments had been sold and developed

Echeverría sent a draft bill on Human Settlements to Congress.²¹⁵ The purpose and function of the bill was to establish methods to organize human settlements in the national territory, to develop norms and plans for conservation, to improve and provide for the development and growth of population centers that include existing urban areas and to define the principles by which the nation will exercise its powers to decide the provision, use, future uses, and the reservation of land, water, and forests.²¹⁶ Moreover, three constitutional amendments were proposed to provide the basis for approval of the bill on Human Settlements. These amendments were promptly adopted.²¹⁷ First, article 73 of the Constitution was amended by adding a section empowering Congress to enact laws enabling the participation of all three levels of government in matters of human settlements.²¹⁸ Second, article 27 of the Constitution was amended by establishing the nation's right to adopt the necessary measures for the purpose of organizing human settlements and future uses of land, water and forests. The nation may also plan and regulate the growth of population centers.²¹⁹ Third, article 115 of the Constitution was amended to state that states and municipalities are obligated to adopt laws and regulations and to coordinate their actions with each other and with the federal government whenever joint jurisdiction exists.²²⁰

Unlike the agrarian measures previously outlined, the Law to Promote Mexican Investment and Regulate Foreign Investment,²²¹ the Law of Inventions and Trademarks,²²² and the Law on the Transfer of Technology,²²³ the proposed bill on Human Settlements aroused violent discussion. This first crisis started as a series of isolated criticisms but soon became a systematic and sustained attack by the bill's opponents.²²⁴ This issue became so important that it overshadowed many

with 44% still available for future development. By 1974 it had earned 54,000,000 pesos and employed 77 workers whose earnings amounted to 5,200,000 pesos.

215. Comercio Exterior, *supra* note 125, April, 1976, at 132.

216. *Id.*

217. *Id.* at 133.

218. *Id.* at 132.

219. *Id.* at 133.

220. *Id.* at 132.

221. Law to Promote Mexican Investment and to Regulate Foreign Investment (*Ley para Promover la Inversión Mexicana y Regular la Inversión Extranjera*) in Official Daily of México (*Diario Oficial*) March 9, 1973.

222. Law of Inventions and Trademarks (*Ley de Inventiones y Marcas*) in Official Daily of Mexico (*Diario Oficial*) Feb. 10, 1976.

223. *Id.* Regulations of the Law of Inventions and Trademarks on the matter of Transference of Technology and Linking of Trademarks.

224. Comercio Exterior, *supra* note 125, May, 1976, at 177. The opposition to

other pressing economic problems. The debate over this issue was Echeverría's first major confrontation crisis and lasted more than six months. The opposition attacked the provisions of the proposed bill on constitutional grounds by writing articles in the daily newspapers and journals. In particular, the changes in article 27 of the Constitution were denounced as inimical to the real interests of the nation by transferring from Congress and delegating to local and state officials the power to determine the uses of land.²²⁵ Opposing attorneys analyzed the proposal and concluded that it provided for arbitrary and undefined discretionary powers, that it was vague, that it lacked clearly stated objectives, and that the means of achieving them were not included in a clear and unambiguous manner.²²⁶

Critics pointed out that the bill contained serious drafting errors by not specifically defining the powers to regulate property by the three different levels of government. This was done by creating the delegated powers in such a way that it left the three levels of government in direct opposition to each other, and simultaneously left such conflicts to be resolved at the discretion of the president.²²⁷ The lack of guidelines and standards for local authorities to use in granting or denying a developmental permit and the requirement that such petition be registered or incur heavy penalties was attacked as being contrary to the constitutional guarantees of due process.²²⁸ Most importantly, the proposed bill was viewed not only as a direct attack on private property but also as seeking the elimination of the same. Moreover, the bill was seen as threatening the loss of individual rights.²²⁹

Supporters of the bill acknowledged that the bill lacked norms and standards under which the proposed regulations could be developed or enforced. They also recognized that the bill's goals were in direct conflict with such private urban interests as real estate developers and speculators, private financial and banking institutions, commercial and industrial entrepreneurs and many individuals who felt that their per-

Echeverría and his plans regarding urban properties was surprisingly well sustained since the president's powers are so complete and dominate all areas. The press exercises self censorship and, because of governmental pressures, it has largely given up its duty as a watchdog of politics. San Diego Evening Tribune, Dec. 3, 1971, § A, at 30, col. 1.

225. *Estudio del Lic. Ignacio Burgoa*, in *LOS ASENTAMIENTOS HUMANOS*, 57 (1976).

226. *Id.* at 59-62.

227. *Estudio del Lic. Felipe Tema Ramírez*, in *LOS ASENTAMIENTOS HUMANOS*, 72-76 (1976).

228. *Id.*

229. G. Fraga, *El Proyecto de Ley Sobre Asentamientos Humanos*, *LOS ASENTAMIENTOS HUMANOS*, 83-93 (1976).

sonal rights would be seriously curtailed.²³⁰

The public debates became heated and biting with personal attacks characterizing the opponents as "emissaries of the past".²³¹ As the attacks multiplied, President Echeverría proceeded with plans for two important conferences. In many ways the debates resembled the controversies that surrounded President Cárdenas' socializing efforts in the mid-thirties. Finally, the bill was amended to include some of the changes that the opponents outlined and was approved in May of 1976.²³²

President Echeverría then headed the largest single delegation to the United Nations Conference on Human Settlements in Vancouver, Canada, and delivered a speech that focused attention on the urban problems of developing and underdeveloped countries.²³³ In addition, in June of 1976 administration officials organized the National Seminar on the General Law on Human Settlements, which was held in the town of Jurídica, Querétaro, and was attended by government officials and urban specialists and representatives from the states.²³⁴ Discussions centered upon industrial cities, city costs, creation of real estate companies, municipal administration, development of medium sized cities, the methodology of city planning, the recommendations of the Vancouver Conference, the Law on Human Settlements, and other urban legislation.²³⁵

230. Comercio Exterior, *supra* note 125, May, 1976, at 178-79.

231. *Id.* This phrase refers to colonial powers in México's history. A report that appeared in the México City daily, El Excelsior, on April 24, 1976, illustrates its sharpness. It reported that 2,600 hectares of the Cumbres de Monterrey National Park had been illegally sold for luxury developments. One of them was in Chipinque, where private business representatives met last month to organize the national campaign against the human settlements bill. The opponents countered the effort by the President to gain support for the bill in the newspaper El Día in which the following quotation appeared on April 8, 1976:

In 1928, the city hall made a gift of the land encompassed by the old colonial *ejido* to those able to invest in homes or hotels as a way to promote tourism; later, in 1932, when the President of the Republic visited the port and admired its beauties, the State Governor expropriated all the land surrounding the bay and in other choice places, as for example the Las Cruces plain, with the same excuse of fostering tourism. Some of the land was given to the then Minister of Communications and Public Works and Las Cruces was broken up into large plots and distributed among the Governor's friends and favorites. In December 1946, a new President inaugurated his administration by expropriating some ten *ejido* farms adjacent to the port, almost all of which were divided into 50-hectare lots and sold at minimal prices to those favored by the Revolution. . . .

Comercio Exterior, *supra* note 125, May, 1976, at 178-79.

232. The Law on Human Settlements, (*Ley de Asentamientos Humanos*) in Official Daily of México (*Diario Oficial*), May 26, 1976.

233. Comercio Exterior, *supra* note 125, Aug., 1976, at 284.

234. *Id.* at 287.

235. *Id.*

A second major crisis occurred on August 31, 1976, when President Echeverría allowed the peso to float for the first time since 1954.²³⁶ The official rate of 12.50 per dollar quickly reached twenty pesos. This sixty percent devaluation was the result of massive inflation, extraordinary foreign borrowings, a rapid decline in productivity and exports, widespread unemployment and an inability to continue to pay for the damaging balance of payments deficit.²³⁷ Tourism, which ordinarily brings the largest amount of foreign exchange, declined precipitously because of México's vote in the United Nation's Resolution condemning Israel.²³⁸

Amid rumors that a military *coup d'état* was imminent, industrialists, shopkeepers and office girls as well, stood in line to buy dollars until the supply of dollars was nearly exhausted. The Bank of México, then, suspended all bank transactions of foreign currencies.²³⁹ A new wave of inflation, widespread hoarding, and labor demands for a 30% wage increase prompted the government to abolish the 10% tax subsidy on exports and imposed new taxes on imports, particularly luxury consumer goods.²⁴⁰

Even though a tourist consuming goods or services in México will receive a bargain even after the peso stabilizes and even though there is a price adjustment, the devaluation will not automatically boost the economy. While Mexican goods will be cheaper on the world market, still México may not be able to increase their sales due to the lack of private investment in factories and machinery. Government owned enterprises do not seem to be able to compete successfully in the world markets.²⁴¹ This gap may be filled by expanding the domestic market through increases of spendable income in the hands of the poorer segments of society.

Mexican consumers living in the border cities, found that their purchasing power was cut in half. The continued fear of further devaluations spurred a temporary but substantial increase in the sale of Mexican products. United States businessmen in the border cities state that the loss in sales is between 20% and 65%.²⁴² President Echeverría

236. Los Angeles Times, Sept. 10, 1976, § I, at 1, col. 1.

237. *Id.*

238. *Id.* It is generally regarded that Echeverría's conduct has been a bid for Third World support.

239. Los Angeles Times, Nov. 23, 1976, § I, at 1, col. 1.

240. Los Angeles Times, Sept. 10, 1976, § I, at 1, col. 1.

241. *Id.*

242. Wall Street Journal, Dec. 14, 1976, § I, at 40, col. 1.

proclaimed that wages would be increased to 23% for the purpose of compensating workers for the price increases that occurred after the 37% loss in purchasing power.²⁴³ This move managed to avert a threatened strike and protected civil servants and the army from this loss. Nevertheless, without taking the loan to protect the floating peso granted by the International Monetary Fund (IMF) into consideration, México doubled, in pesos, its foreign debt.²⁴⁴

While México was still reeling from the impact of devaluation, a third crisis occurred. On November 19, 1976, a few days before President Echeverría's term of office was to expire, the President expropriated 100,000 hectares which constituted approximately half of the rich farm land in the Yaqui Valley of Sonora, México.²⁴⁵ This act exacerbated the fears of landowners concerning massive expropriations and materially increased the already high hopes of agrarian workers that land distribution would be widely practiced.²⁴⁶ The President's decree charged that the land had been illegally held by seventy-two families in violation of the Agrarian Reform laws. The Ministry of Agrarian Reform then proceeded to divide the land among 8,037 farm workers dispensing an average of five hectares each.²⁴⁷

Previously, in January 1976, President Echeverría had ordered Sonoran federal officials to investigate charges that the land was held

243. Los Angeles Times, Sept. 10, 1976, § I, at 1, col. 1.

244. Los Angeles Times, Nov. 20, 1976, § I, at 13, col. 1. The World Bank reports that 11 countries, among 86 developing countries, account for 72% of all outstanding debt to private financial institutions. In 1974, they were Argentina, Brazil, México, Perú, Greece, Israel, Spain, Korea, Malaysia, Algeria, and Zaire. Los Angeles Times, Dec. 27, 1976, § 1, at 1, col. 1.

245. Los Angeles Times, Nov. 20, 1976, § 1, at 13, col. 1. The Yaqui Valley in Sonora contains some of the best farm belt of México and produces 50% of México's wheat. San Diego Union, Dec. 1, 1976, § A, at 8 col. 1. This valley has been the object of many farm worker demonstrations. A year before, 50,000 workers marched in the streets of Ciudad Obregón, Sonora, to protest the lack of action on petitions to grant land to *ejidos* from land allegedly exceeding the permissive limits. A delegation of Yaqui landowners met with President Echeverría in México City on Oct. 17, 1976, to resolve the issue and President Echeverría met with the workers on a trip to Sonora on Oct. 20, 1976. On Nov. 18, 1976, the Undersecretary of the Ministry of Agrarian Reform, Guillermo Romero, his assistant, and Celestino Salcedo Monteón, a Mexicali Valley farmer and a Baja California Senator, leader of the peasant land cause, landed by special plane in the city. The next morning the workers took over the farms and the expropriating decree followed within hours. San Diego Union, Nov. 21, 1976, § A, at 1, col. 1.

246. Similar land invasions took place in various states, 40,000 hectares in Sinaloa, Los Angeles Times, Dec. 15, 1976, § I, at 1, col. 1; 26,000 hectares in Durango also in the states of Coahuila and Veracruz, Los Angeles Times, Nov. 30, 1976, § I, at 10, col. 1; Los Angeles Times, Dec. 15, 1976, § I, at 1, col. 1.

247. Los Angeles Times, Nov. 20, 1976, § I, at 13, col. 1.

illegally. The land owners, however, had obtained injunctions, *juicio de amparo*, to protect their land from the peasant and these injunctions were in force at the time of the presidential expropriation. The landowners petitioned for their injunctive protection and sued the Mexican government in the amount of 8,000,000 dollars in compensation for the land, farm equipment, livestock, furnishings seized in the houses, and supplies in out-buildings which were considered to be irretrievably lost.²⁴⁸ In Culiacán, Sinaloa landowners donated 8,800 irrigated hectares and 3,080 hectares of rich dry land for distribution by the federal government in an attempt to prevent wholesale expropriations.²⁴⁹

Mexican courts ordered a halt to the land distribution in Sonora until the legality of the expropriated order could be determined.²⁵⁰ Federal judge Carlos de Silva of Nava overturned former President Echeverría's expropriation decree and ordered the land in Sonora returned to their former owners.²⁵¹ This decision brought protests from the peasants as they sought an appeal from the Mexican Supreme Court.²⁵²

The new President, José López Portillo, was sworn into his position without incident.²⁵³ He initiated negotiations with the former landowners and an agreement was finally approved nine months later in August, 1977. The agreement provided that the indemnification would pertain to only 17,660 hectares with the remaining 20,000 hectares to be considered as donations.²⁵⁴ A total of 30,000,000 dollars was pledged to be distributed at the rate of 680 dollars per acre while the present price of irrigated land is about 884 dollars per acre. By the end of 1977, only 80 of the 750 landowners had been paid.²⁵⁵ In May, 1977, President López Portillo acknowledged that the land seizures had been illegal, but irrevocable nevertheless, because the families

248. San Diego Union, Nov. 21, 1976, § A, at 1, col. 1. Many landowners and their families fled into the United States as a result of sinister threats received by them. Among the owners listed by the decree were two former governors, the family of a former president, Alvaro Obregón, several United States citizens, and a large number of very prominent families and political figures. San Diego Union, Nov. 20, 1976, § A, at 1, col. 1.

249. San Diego Union, Nov. 28, 1976, § A, at 1, col. 5.

250. Los Angeles Times, Dec. 15, 1976, § I, at 1, col. 1.

251. Los Angeles Times, Dec. 13, 1976, § I, at 5, col. 1.

252. Los Angeles Times, Dec. 12, 1976, § I, at 1, col. 1. Most of the invading peasants relinquished the land with only minor pockets of workers still remaining three weeks after the initial possession.

253. Los Angeles Times, Dec. 3, 1976, § 1, at 25, col. 1.

254. Excelsior, Aug. 26, 1977, § A, at 1, col. 4.

255. Los Angeles Times, Dec. 4, 1977, § I, at 3, col. 1. The owners felt that they were being paid less than half of their actual land loss.

who had settled on the land could not be removed without "setting the country ablaze".²⁵⁶

VI. CONCLUSION

The realities in México forces the acknowledgement that the avoidance of "setting the country ablaze" is the most important objective. For the past sixty years, the Revolutionary philosophy has dominated most political and economic decisions. The *ejido* was created to end a revolution, to give stability to the country, and to unify the most discordant elements within the country. The *ejido* succeeds in providing a future to landless farm workers only when the quality of the land is high.²⁵⁷ It has been demonstrated that there is no real prospect of distributing good land in the necessary quantities.

Nevertheless, there may be a partial solution to the plight of the *ejidatarios* and miniparcel farmers. Above all, appropriate reform of CONASUPO must occur to provide an adequate income to these two groups of farmers by changing the price support levels for farm produce. Additionally, the newly unified agricultural bank (BAN-RURAL) can provide adequate levels of credit and, thus, prevent the tendency to cover up deficiencies, through statistical confusion in the actual farm credit allocated to these two groups. Reports on credit available to other farmers, credits transferred to the national grain producing company, and credits advanced to import food should be clearly designated as separate and distinct funds.

The president has all the necessary power to provide for the form and use of land, and, through regulations, can affect the productivity and net spendable income of farmers. Clearly, he has not used these powers to benefit the *ejidatarios* directly with sufficient federal input or technical assistance. The steady withdrawal from corn and wheat production offers ample evidence that the policies of President Echeverría further exacerbated the prolonged neglect and unrealistically postponed the resolution of agrarian issues. Instead, the presidential powers were used to "temporarily" deny the aid that agriculture required. Moreover, these powers were utilized to force the pace of

256. *Id.*

257. *Excelsior*, Aug. 26, 1977, § A, at 1, col. 4. The productivity of the Yaqui Valley that was distributed in Nov., 1976, was not essentially harmed. It produced 4.1 tons per hectare, with some *ejidatarios* producing five tons per hectare while the average harvest in previous years was 4.7 tons per hectare. The total harvest was smaller because the drought conditions limited the quantity of hectares under cultivation. *Los Angeles Times*, Dec. 4, 1977, § I, at 3, col. 1.

industrialization beyond México's capacity to absorb, manage, subsidize and pay for.

Former President Echeverría's attempt to control and socialize the urban centers went beyond acceptable perimeters framed by the Revolutionary philosophy and directly confronted the desires and self-interest of large numbers of commercial, industrial, banking, realty and agricultural segments of society that had been operating with comparatively fewer controls. These groups considered this attempt as a direct threat to their individual and property rights.

The debate that accompanied the Law on Human Settlements was instrumental in creating a cohesion and singleness of purpose within the business community which enabled them to respond decisively to the land invasion. The debate was, in a sense, a rehearsal that provided additional time to prepare, organize and take action. Evidence of power and strength was necessary to convince the incoming president the extent to which the business community would go. Similar pressures were brought to bear on the new administration by the peasants and their leaders.

During the critical days after the peasant land invasions, which were encouraged by former President Echeverría, pressures were exerted by both opposing groups. On November 24, 1976, only five days after the expropriation decree, businessmen outside of the México City metropolitan area called a one-day general strike in which forty-five cities in eleven northern states were virtually shut down. This strike involved the entire northern sector of the country and ranged as far south as Acapulco on the Pacific coast and Veracruz on the Caribbean. This day of protest cost México approximately 90,000,000 dollars.²⁵⁸ About two weeks later, a large group of peasants announced plans to march on foot and by bus to México City to protest the decision that rendered the expropriating decree illegal. The march was also intended to press for favorable action on the peasant's petitions for land in other parts of the country.²⁵⁹ These techniques are traditional expressions and are often used in political in-fighting to establish a new political balance among contesting groups. The Revolutionary philosophy dominates and permeates all facets of Mexican life. The government with its long-lived political party, which had been successful in keeping all of these conflicting elements working together since the revolutionary days, is sustained by this revolutionary philoso-

258. Los Angeles Times, Nov. 25, 1976, § I, at 1, col. 5.

259. Los Angeles Times, Dec. 14, 1976, § I, at 14, col. 1.

phy. Both these groups, the businessmen and the peasants, shall ultimately influence what México can and must do to satisfy its people. The economic burdens felt by a large proportion of *ejidatarios* and other agricultural workers is so oppressive that new mechanisms must be found that will provide the benefits promised by the agrarian reform.

The conciliatory tone of President López Portillo has been evidenced from the very beginning of his administration. He has sought to bring unity among the various interest groups that were alienated by former President Echeverría. The new president signed an agreement on December 10, 1976, with 140 large companies to coordinate their investment plan with the aim of creating 300,000 jobs. This accord symbolized the end of a five-year investment slowdown by the private sector that was initiated to protest against the Echeverrián administration policies.²⁶⁰ The land expropriation and distribution in Sonora is merely a partial solution and by no means the final resolution to the underlying causes of unrest. Similarly, a judicial decision on the legality of the presidential expropriating decree does not afford a permanent nor even a partial solution. It is not a legal question because both sides may point to the inherently contradictory constitutional provisions and both sides are correct in claiming that these provisions protect them. A juridical decision based upon the individual facts of each case would not satisfy either group. Therefore, it becomes purely a political question and only political pressures and counterpressures as exerted by various groups can hope to bring about the necessary accommodations as evidenced by the August, 1977, compromise between President López Portillo and the Sonoran landowners.

The contradictions inherent in article 27 of the Constitution remain and shall surely spring forth when the economic conditions among the millions of farm workers who cannot subsist on the official wage levels compell such emergence.²⁶¹ Yet, an encouraging development is now apparent and promises to become increasingly more important to México. There are proven oil reserves amounting to 14,000,000,000 barrels of oil while foreign experts estimate that there is probably more than 60,000,000,000 barrels of oil in reserves.²⁶² Petroleum income is expected to reach 1,200,000,000 dollars this

260. N.Y. Times, Dec. 26, 1976, § 1, at 17, col. 3.

261. The wage level in Sinaloa in December, 1976, was 85 pesos per day. Los Angeles Times, Dec. 15, 1976, § I, at 1, col. 1. In December, 1977, the daily wage was 94 pesos. Los Angeles Times, Dec. 4, 1977, § I, at 3, col. 1.

262. Los Angeles Times, Sept. 2, 1977, § I, at 11, col. 1.

year. This income is in addition to the income that will be derived from the massive 3,000,000,000 dollar investment loan of the projected development of new oil and gas fields and the building of extensive gas pipelines for carrying gas to the major population centers. Moreover, such gas is intended for export to the United States.²⁶³ The question remains as to whether the time gained, by the use of these revenues from oil, will be properly utilized to solve the job, education, health, housing and transportation needs of the rural communities.

Echeverría's legacy will endure for many years. His conduct of the nation's economy paralleled Cárdenas, but created an opposite result. While Cárdenas' policies ended the unrest and brought about a unity of purpose, Echeverría's brought two powerful groups into conflict and kept them at odds with one another throughout his administration. The neglect, and even more, the manipulation of the agricultural sector to serve the needs of the country, as perceived by President Echeverría, produced incalculable harm to the peasants. His government owned industrialization policy compounded the heavy burdens that México as a developing country must bear. Certainly the need to industrialize and compete in world markets is necessary, yet the cost to the farm and urban worker is, perhaps at this time, too high a price to pay. The result of Echeverría's policies shattered the trust of the Mexican people in their carefully nurtured political balance, eroding confidence in their institutions and political forums. México's only hope for economic progress now lies in President López Portillo's ability to recreate and nourish an equitable political balance that will provide a just solution for the farm and urban worker's present intolerable situation.

Harriet R. Stone

263. Wall Street Journal, Aug. 8, 1977, § 1, at 1, col. 1.