Peasants, Capitalists and the State: Mexico's Changing Agricultural Policies and the "Hungarian Project"

James W. Wessman
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THE UNIVERSITY OF NEW MEXICO
ALBUQUERQUE, NEW MEXICO 87131
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James W. Wessman
Visiting Assistant Professor
Department of Anthropology
University of New Mexico

Associate Professor
Department of Puerto Rican, Latin American and Caribbean Studies
State University of New York, Albany
In the twentieth century a distinctive relationship has existed between the Mexican state and the country's peasantry. Since the _ejido_ was established as a legal person in the Mexican constitution of 1917, the state has taken the responsibility for directing the fortunes of those peasants who obtained usufruct rights over land in the agrarian reform which followed the Mexican Revolution. The policies which the Mexican state has pursued for the _ejidos_ have suffered severe problems, including peasant resistance, bureaucratic inefficiencies and corruption, entrepreneurial speculation, private landowners' interference and international market fluctuations, among others. During most of the twentieth century, however, Mexicans managed to feed themselves and to produce a surplus for export to other countries, primarily the United States.

In recent decades, the cumulative legacy of these agrarian problems has become critical. Consecutive poor harvests, combined with massive importations of food from the United States, have placed Mexico's agricultural policies in a new light. With the onset of the petroleum era
in the mid-1970s, public awareness of the agrarian crisis has increased dramatically. Because the United States is both Mexico's primary market for petroleum exports and the source for the foodstuffs which replace sagging domestic production, Mexicans came to realize that they were trading a non-renewable patrimony, petroleum, for food which they historically have produced for themselves. The image of a direct exchange of Mexican oil for American grain became a national nightmare.

It is in this context that Mexican President José López Portillo introduced, first, the Sistema Alimentario Mexicano, or the Mexican Food System, commonly known as SAM, and later the Ley de Fomento Agropecuario, or the Law of Agricultural Development (LFA). Both SAM and the LFA were subjected to intense debate regarding the direction which these policies implied for Mexico's food self-sufficiency. Outside of Mexico, these policies were observed with considerable interest, not only by countries like the United States which sell foodstuffs to Mexico, but also by other Third World countries which looked to oil-rich Mexico for leadership.

SAM and the LFA were installed during the time I spent in Mexico in 1980 and 1981. I followed the national debate in the media and in conversation and I became involved in an evaluation of a specific project in the State of Jalisco which fell under the aegis of these two policies. This research paper concerns the first phase of my research on what has come to be known as the "Hungarian Project". My analysis necessarily is preliminary, for various reasons.
First, the fate of the new policies is not certain, because President López Portillo will leave office soon and the incoming president will have wide latitude in establishing his own agricultural policies. Second, these policies were designed to have long-term effects but have been in operation a relatively short time. Finally, the local program which I will describe was set up for the five year period from 1980 to 1985, but the results of the second annual cycle are not yet available. However, the situations I will describe have implications which go beyond the immediate question of the success or failure of the policies and program, and in this sense it is worthwhile to consider them in this early phase of their evolution.

SAM and the LFA

It is not my intention to discuss SAM and the LFA in terms of policymaking or "statecraft", as if one could isolate the state from its societal and international contexts. Rather I intend to discuss SAM and the LFA as aspects of social relations in Mexico. I will describe them as policies in the briefest of terms and then go on to analyze them in the context of Mexican social relations.

The designation of the Mexican Food System by the acronym of SAM certainly indicates the international significance of the policy in an era in which "Food Power" and United States hegemony are virtually synonymous. It also indicates a wry sense of humor: the cartoonist Germán Malvido,
Illustration 1: Ingenuo (Ingenuous), by Germán Malvido, El Occidental, September 17, 1980.

Illustration 2: Infraestructura (Infrastructure), by Vázquez Lira, unomásuno, December 29, 1980.
drawing for the Guadalajara newspaper *El Occidental*, depicted a Mexican peasant shouting, "Long live SAM!" and a startled Uncle Sam asking meekly, "Who, me?" (see Illustration 1). SAM represents an attempt to establish a national food system, in order to assure food self-sufficiency in the 1980s, through massive but coordinated infusions of state capital and technical assistance. In contrast to earlier master plans for agriculture, SAM employs the perspective of systems theory, although with a definite technical rather than social orientation. It is as if, to cite one of Vázquez Lira's cartoons in the Mexico City daily *unomásuno*, the Mexican state thought that it could plant *pesos* rather than seed in the countryside and reap increased corn yields (see Illustration 2).

Not all of the components of the Mexican Food System were immediately disclosed, leading some to call SAM an idea without substance, as in Oswaldo Sagastegui's cartoon in *Excelsior*, in which an impoverished peasant stands in front of a picture labeled SAM and sees nothing but his own reflection. A tag hangs to one side saying, "For now we can only offer you this." Sagastegui titled the cartoon "Know Yourself" (see Illustration 3). More sarcastically, *unomásuno*'s Alán represented SAM as a wanted poster, advising the reader that if he sees it, to take advantage of it (see Illustration 4).

The principal components of SAM are, first, an increase in the production of staples, especially maize, beans, and wheat, with subsidies, price supports and crop insurance, in order to "share the risk" between the state and the peasantry; and second, an educational program concerning nutrition,
Illustration 3: Conócete (Know Yourself), by Oswaldo Sagastegui, Excelsior, September 23, 1980.
based upon the concept of the basic food basket, or *canasta básica*. The most radical aspects of the program are the immensity of the resources dedicated to it and the fact that the component programs are coordinated by means of systems theory.

The Agricultural Development Law or LFA, on the other hand, is oriented toward increasing the penetration of private capital in the countryside, conceptualized as the "recapitalization" of agriculture, in response to the flight of capital from the rural areas to the cities or to the exterior, with consequent effects upon production and employment. Perhaps the most important aspect of the LFA is the
creation of newly defined "production units", in which *ejidos*, or communal landholding units, are encouraged to associate with small landowners (because by definition there are no large landowners in Mexico) or with other *ejidos* for the purpose of soliciting credit, with favored status for low-interest loans and other state-sponsored supports. What the LFA in effect does is *create another level of land tenure*, supposedly without affecting land tenure at the pre-existing level, consisting of private and social (*i.e.*, the *ejido*) property. The immense significance of the new production units is that the agrarian reform of the post-revolutionary period is finished. From this point forward other solutions will be found for Mexico's rural ills. Indeed, many observers saw the LFA in contradiction to the revolutionary goals of land and liberty and even in contradiction to *SAM*, as two of Alán's other cartoons indicate (see Illustrations 5 and 6).

The response of different social and economic interests in Mexico followed more or less predictable lines. The support of private enterprise for *SAM* would be surprising in itself, for *SAM* attempts to reorient agricultural production toward staples and away from luxury export products, which have been the backbone of modern capitalist agriculture in Mexico. *SAM*, however, does not stand by itself, but in relation to the LFA and other state policies. As it became evident that the state was not going to greatly affect land tenure, in the sense of expropriating the remaining latifundia, and that money could be made by all, the support of private enterprise was not slow in coming. Although *SAM*

preceded the LFA by almost a year, the LFA was being discussed during this entire period.

No way exists to monitor the opinions of Mexican peasants as a whole toward SAM and the LFA. The principal peasant organizations, such as the National Peasant Federation (Confederación Nacional Campesina, or CNC), are effectively controlled by the hegemonic political party, the Institutional Revolutionary Party (Partido Revolucionario Institucional, or PRI), and cannot be said to have an autonomous voice. Indeed, no peasant groups had significant roles in designing either policy.

The peasants with whom I spoke in Jalisco about SAM and the LFA for the main part claimed not to know what SAM entailed, which is not surprising, because few non-peasants knew what SAM meant, beyond the general concept. They saw it as just another state program, this time infused with nationalism, as suggested in Malvido's cartoon. The peasants responded most directly to the provision of SAM that rewards the production of basic grains. They knew the LFA somewhat better, because the state presented seminars in the ejidos to explain what this new law meant, especially the production units. The purpose of these seminars was not to elicit the opinions of peasants toward the LFA, but to present this ready-made law to them.

The Mexican middle classes, who are increasingly removed from the issues of food production, responded to both SAM and the LFA with nationalistic zeal. A typical response is that of a young man who responded with horror when his sister
expressed skepticism at home about SAM. "What?" he said. "Are you in favor of the privatization (i.e., the expansion of private property) in the countryside?" As this comment indicates, it is easy to confuse the ostensive goal of SAM with its effects.

The political left was cautiously hopeful about SAM, except for some who dismissed it altogether, as some of them had been involved in the studies which led to its formulation. Their response to the LFA, however, was unanimously negative. Another of Alán's cartoons in unomásuno shows a modern cattleman reaching for his holster, where he has a copy of the Agricultural Development Law instead of a gun. In his belt he carries a copy of the Law of Agrarian Protection (a sort of agrarian habeas corpus which allows landowners to assure that their properties will not be expropriated by the state). The rancher is saying, "At these [expletive deleted] Indians, one must toss the printed word!" (see Illustration 7).

What must be remembered in attempting to understand these policies in their social and historical context is that all social issues or questions have been subordinated to technical ones, as Warman has suggested in terms of a transition from an agrarian policy, or política agraria, to an agricultural policy, or política agrícola. This transition in turn must be seen in terms of Mexico's evolving domestic and international situation. There is no question that the crisis that led to the introduction of SAM and the LFA was the deterioration of food self-sufficiency in the 1970s and
Illustration 7: Ganadero moderno (Modern Cattleman), by Alán, unomásuno, December 1, 1980.

Illustration 8: Epidemia (Epidemic), by Alán, unomásuno, September 19, 1980.
the necessity on the part of the Mexican state to pay for imported food with petroleum. Both types of transaction were carried on primarily with the United States. The specter of Mexico squandering its national wealth and ending up in the same relative condition 40 years from now hastened the introduction of the SAM concept before it was fully elaborated. One of Alán's more poignant cartoons shows American grains dressed as tourists showing up at a Pemex (Petróleos Mexicanos) dispensary and asking politely whether this is the place where petroleum is exchanged for grains (see Illustration 8). SAM was introduced on the eighteenth of March, 1980, the anniversary of the expropriation of the Mexican petroleum industry by then-President Cárdenas, which is celebrated as a holiday in Mexico. At the same time, President López Portillo announced that Mexico would not join the General Agreement on Tariffs and Trade (GATT) and that the country's daily production of crude oil would be limited, thus controlling its sale to foreign countries, particularly the United States.

At first and taken by itself, SAM seemed to suggest that Mexico would take a nationalist path of development, turning away from foreign capital, primarily North American, as the motor of development. SAM, the LFA and other state policies emphasize that production must occur, in whatever units can get the job done. Even if noncapitalist production relations in the ejidos produce a large share of the country's staples, the industrial and marketing complexes that use these products remain in hands, whether private or state, that are
committed to a more modern, capitalistic Mexico, in which the state and private enterprise together direct the economy's course. Those who stand to lose the most are the intermediaries who have fed parasitically from the labor of Mexican peasants. Again, Alán gives us a cartoon on this subject, showing SAM digging a grave for the intermediaries and the intermediaries digging a grave for SAM (see Illustration 9).

A final comment reinforces the interpretation of SAM and the LFA presented in this report. Early in 1981, President López Portillo opened a public debate concerning the role of private property in Mexico. In his opening sally, he suggested that Mexicans reevaluate the "social function" of private property. He seemed to suggest that Mexico could do away with private property, if the people so desired. As this multi-sided debate developed, it quickly became apparent that private property was not the issue at stake. The true concern of the debate was social property, that is, the ejido. In the technocratic rhetoric of the Partido Revolucionario Institucional, the debate seemed to signify that Mexico could no longer afford the foolish luxury of the ejido. It is significant that peasant and ejido leaders were not consulted in the planning of either SAM or the LFA, that none of these leaders attended the state party celebrating the first anniversary of SAM, and that at the First National Congress on Maize, held in Guadalajara, no peasant or ejido representatives participated in the panels, which were wholly technical in orientation.
Illustration 9: Sepulteros (Gravediggers), by Alán, unomásuno, January 26, 1981.

The "Hungarian Project"

Most of what has been written about SAM and the LFA concerns the policy implications of President López Portillo's initiatives, especially regarding relations with the United States. Relatively little has been written about specific projects in which SAM and the LFA had some impact upon the peasants who produce Mexico's food. My intention in this section is to provide a preliminary analysis of the first phase of one such project, known locally as the "Hungarian Project" in the State of Jalisco.

It may be worth noting that Jalisco, as part of the Mexican West, presents certain specific conditions which are unlike those of central, southern and northern Mexico, where most research on agrarian life has been conducted. What is
now Jalisco did not have dense populations of indigenous groups at the time of the Spanish Conquest, and no pre-Columbian empire existed. The Indian groups found there were largely exterminated, except in the area around Lake Chapala and in the northern part of the state. Consequently, ethnic relations have evolved along a somewhat different trajectory than in other areas of Mexico. The Indians did not become subjected to harsh conditions of coerced labor on haciendas, at least not to the same extent as in other regions. Most of contemporary Jalisco belonged not to Nueva España but to Nueva Galicia, and what is true of the former is not necessarily true of the latter, in both historical and contemporary times. The lack of a suitable labor force impeded the development of latifundia and the haciendas of the region specialized in raising livestock in addition to staples. Small-scale private property still is quite prevalent in Jalisco, especially in the area known as Los Altos de Jalisco, a primary locus of the Cristero Rebellion of the 1920s and 1930s. Jalisco was not a hotbed of the Mexican Revolution, nor were the pressures for agrarian reform as strong there as in other regions. In many ways, the state is quite conservative and it has been called the most Catholic of the Mexican states.

The "Hungarian Project" was designed for the Union of Ejidos "Francisco I. Madero" in the municipality of Jocotepec, which lies immediately to the west of Lake Chapala. The union was formed several years ago, during the administration of former President Luis Echeverría, who supported the
development of associations of independent ejidos. This union consists of four ejidos: Zapotitán de Hidalgo, Huejotitán, El Molino and San Marcos. The first three ejidos were formed from the former haciendas of Huejotitán and Zapotitán, which earlier constituted a single hacienda, Huejotitán, that occupied the entire valley. This hacienda was divided by inheritance into the two haciendas of Huejotitán and Zapotitán. During the agrarian reform, these haciendas were divided into three ejidos, two of which carry the names of the old haciendas, although the boundaries of the haciendas were not strictly observed in demarcating the new ejidos. El Molino is that part of the old Hacienda de Huejotitán where wheat was milled before being shipped to Guadalajara.

Any anthropologist could have predicted that a union which brought together the two ejidos of Huejotitán and Zapotitán would encounter great difficulties, as these two ejidos have sustained competition and hostilities from before the time they were constituted as ejidos, perhaps dating to the time the Hacienda de Huejotitán was divided. In fact, one could hardly ask for a more suitable case for controlled comparison. Zapotitán is a well-organized ejido, with effective leadership, that has managed to introduce substantial improvements in the community without depending upon, as they say, papá gobierno. Among these improvements are potable water, electricity, a community plaza, a bridge, a paved yard and, most importantly, a building for ejido offices and meetings, known as the casa ejidal. The community has both primary and
secondary schools and also a small clinic operated by the Ministry of Health.

In contrast, nearby Huejotitán achieved some of these improvements only after Zapotitán had done so, and then only with governmental help, not on the basis of their own efforts. In Huejotitán, ejido meetings are held in the local primary school, as they have no casa ejidal. The youth of Huejotitán who want to attend school beyond the primary level must go to the school in Zapotitán or must leave the area to live with relatives or friends in places like Guadalajara. As a consequence, there are only a very few students from Huejotitán in the secondary school in Zapotitán. With regard to medical care, the only local option to the clinic in Zapotitán is a larger facility in the town of Jocotepec.

These two communities differ decisively in leadership, which reflects the competing interests in the respective communities. Ejidatarios with cattle and other livestock are more powerful in Huejotitán than in Zapotitán and because they want to maintain the extensive exploitation of ejido lands, they can be counted on to oppose any project that would change the existing patterns of exploitation. There are ejidatarios with livestock in Zapotitán, but they appear less able to prevail in community decisions. One important faction in Zapotitán consists of non-ejidatarios who nonetheless attend the monthly ejido meetings and push for their particular interests. Zapotitán also appears to be better organized with regard to the outside world, as they have strong contacts in various cities on this side of the border, to whom
they refer as "our people."

The *ejido* leader, or *comisario ejidal*, in Huejotitán during the period of this initial study was a man whom I will call Felipe Estevez, a charismatic and mysterious man who appears to hold sway in Huejotitán through fear. Felipe is articulate and impressive and he manages the *ejido* meetings with considerable skill. He is equally adept at expressing a critical evaluation of the government's manipulation of his community as he is at "playing peasant" and denying any knowledge of the vertical links within Mexican society.

The effective leader in Zapotitán was Juan Arroyo (also a pseudonym), who held the two important positions of *comisario ejidal* and *presidente* of the union of *ejidos*. Early in 1981, Juan relinquished the former role. He is less charismatic than Felipe and exercises his influence more subtly. Rather than directing his *ejido* 's monthly meetings, Juan avoids intervention until it is unavoidable and then he does it with underspoken skill.

This is the context which existed in Jocotepec at the time of the introduction of the "Hungarian Project." The Mexican government signed an agreement for scientific and technical cooperation with the Hungarian government in late 1977. This agreement included a "Special Agreement for Cooperation in the Area of Agriculture and Forestry," under which this project falls. Since Hungary is one of Europe's leading corn producers, for which they have developed considerable expertise, it was logical that Hungary attempt to share its knowledge with Mexico, which also is an important producer of
corn, but with much less expertise. The Hungarian government assigned the task of educating Mexican peasants in advanced techniques of corn cultivation to the consulting firm of AGROBER.

The agronomists of AGROBER designed a five-year project. In the first phase, corresponding to the 1980-81 agricultural cycle, they would increase the production of corn by applying the techniques which they had perfected in Hungary, with adaptations for the conditions of this area. To do this, they prepared the soil to a greater extent than the Mexican peasants had done: they plowed twice at 30 centimeters and applied various types and quantities of fertilizers. They planted four types of improved seeds at a density of 48,000 plants per hectare, an increase of about 25 percent. They used the pesticide Furadan and seven types of herbicides, some applied by airplane. The machinery they used was sophisticated and expensive. In addition to increased corn output, the first phase contemplated the collection and sale of bundled corn stalks as forage (pacaś).

The second phase was to build upon the first by using the pacas to feed the increased livestock population of the ejidatarios. This phase was to include intensive livestock raising in feedlots. In subsequent phases, the union was to become transformed into an autonomous agroindustry, incorporating corn cultivation, livestock raising and meat processing in the same locale, providing more skilled employment and greater remuneration for union members. At the same time, this development would impede outmigration from the area to
Guadalajara, Mexico City and the United States.

Originally, the project was to encompass all four ejidos of the union, but due to a last minute decision in the Mexican Ministry of Agriculture, the scope of the project was limited to three contiguous ejidos, Huejotitán, Zapotitán and El Molino, and was renamed a "pilot project," involving only 1,000 of the union's 4,300 hectares. The ejidatarios were not given any reason for this change. One may speculate that the risk of failure was too great for the Ministry of Agriculture to invest its name and resources without providing an escape.

To carry out the project, the Hungarians had to convince the ejidatarios that the project would bear results, for it was necessary for them to remove their fences and "compact" individual plots of four hectares each into an extension of land which would make the use of large machinery economically feasible. The person who carried most of the responsibility for informing the individual ejidatarios about what the project involved and enlisting their support was a social worker from the Mexican Ministry of Agriculture who was assigned to the union. Armed with plans and projections, specifically mentioning 15-16,000 pesos per hectare as the anticipated yield, she succeeded in convincing a sufficient number of ejidatarios to participate and the preparation of the lands for cultivation began.

An immediate problem was created by the non-participation of the ejidatarios of El Molino, who waited until the expensive process of preparing the land for cultivation was complete, at which point they planted sorghum and in effect
dropped out of the project. Thus the Hungarians continued with only two ejidos, the old enemies of Huejotitán and Zapotitán.

There were other setbacks in the first part of 1980 which cannot be dealt with at length here. The government changed the personnel in positions of direct contact with the ejidatarios on several occasions and created a legacy of discontinuity. Some of these changes were positive, as in the case of the first organizers who spent six months in Jocotepec without doing any organizing. But other personnel changes were disastrous, as in the case of a new representative of the Ministry of Agriculture who, at a meeting in which the assembled ejido members of Zapotitán wanted to know the net result of the harvest, set out to lecture them on the benefits of the Agricultural Development Law (LFA). The meeting almost ended in violence and with it the Hungarian Project in that ejido.

Moreover, the Mexican government failed to deliver the promised works of infrastructure, especially the drainage ditches that were necessary to carry the runoff from the mountains during the spring rains. Without the ditches, one-third of the approximately 1,000 hectares was flooded, resulting in the loss of much of the corn. The Hungarians salvaged what they could as forage.

A third set of problems concerning the machinery and seeds the union bought also decreased the yield of corn. The Hungarians favored John Deere tractors but a representative of the Mexican Ministry of Agriculture insisted on Massey-
Ferguson tractors, which proved defective. The seed used was bought from Northrup King and it turned out that this seed had been inadvertently cross-fertilized at the plant and did not produce as well as it should have. (A lawsuit was filed concerning the faulty seed because Northrup King first promised to deliver new seed for the 1981-82 cycle and then reneged.)

The harvest took place in January and February of 1981, over a month later than in previous years, as the ejidatarios had to await the authorization of the Ministry of Agriculture to begin the harvest. The primary reason for the delay was the moisture content of the corn. Because the corn was to be sold to CONASUPO, the state-run food distribution system, they had to wait until the corn met CONASUPO's moisture standards. Due to the delay, more of the corn was lost to fires of unknown and suspicious origin.

Another reversal occurred at this time, placing the entire project in doubt. Even before the harvest was in, the Hungarian technicians received a letter from the Mexican Ministry of Agriculture that announced the termination of the five-year contract at the end of the first year, citing budgetary constraints. Because the project was entirely consistent with SAM and the LFA, and because the state had just announced the largest-ever budget for agriculture in Mexican history, this explanation convinced no one. It seems more likely that the Hungarians' success caused some people in the Ministry of Agriculture to believe that their work was being undermined, and by foreigners! As a result, the project was to continue,
but under the direction of Mexican agronomists and technicians. These specialists were not familiar with the Hungarian techniques to be employed in subsequent phases of the project and it was feared that the five-year agroindustrial project would be frozen in its first phase. The leader of the *ejido* of Huejotitán, Felipe Estevez, accused the president of the union, Juan Arroyo, of running off the Hungarians.

Not until the final results of the 1980-81 cycle came in did these events make sense. The most important news, which everyone had been waiting for, was the net income per hectare. Whereas the social worker, citing the figures given her by the Ministry of Agriculture, had proposed around 15,000 pesos per hectare (about $650 per hectare at the exchange rate prevailing at the time), the actual income was only half of that. An accounting of income and expenses shows what happened:

<table>
<thead>
<tr>
<th>Income</th>
<th>21,184,708.46 pesos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of corn</td>
<td>14,113,475.74 pesos</td>
</tr>
<tr>
<td>Sale of forage</td>
<td>3,246,596.10</td>
</tr>
<tr>
<td>Other sales</td>
<td>3,824,640.62</td>
</tr>
<tr>
<td>Total sales</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>18,528,929.90 pesos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storage</td>
<td>2,108.09 pesos</td>
</tr>
<tr>
<td>Office equipment</td>
<td>23,851.80</td>
</tr>
<tr>
<td>Tools</td>
<td>30,999.67</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>450.00</td>
</tr>
<tr>
<td>Administration</td>
<td>273,934.03</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>13,714,377.27</td>
</tr>
<tr>
<td>Other expenses</td>
<td>2,701.00</td>
</tr>
<tr>
<td>Payments advanced to union</td>
<td>3,711,097.48</td>
</tr>
<tr>
<td>Total expenses</td>
<td></td>
</tr>
</tbody>
</table>

The difference between income and expenses, added to the payment advanced to the *ejidatarios*, amounts to 6,367,876.04
pesos, or about $265,000.

Although the income was less than anticipated, the expenses charged against the union were what caused the alarm among the *ejidatarios*. The sale of corn is obvious, as is the sale of forage. The "other sales" entry partly corresponds to the profits the union realized by operating as an agent for the state-run fertilizer company, Fertimex. Possibly a million pesos were contributed by SAM in support of the cultivation of staple foods.

The *ejidatarios* were at a loss to explain some of the expenses charged against them. The office equipment had been promised by the Ministry of Agriculture, so they were surprised to see this show up as a debit. The large entry for operating expenses was not further broken down, making it impossible to tell what is being charged the union. They possibly were charged for drainage, even though this too was a commitment on the part of the Ministry of Agriculture. In other words, the ministry washed its hands of the Hungarian Project and charged what it could to the *ejidatarios*.

No one was pleased with these figures. The leader of Huejotitán, Felipe Estevez, again accused the president of union, Juan Arroyo, of malfeasance, which forced an audit and delayed the announcement of the final figures. Arroyo eventually was shown to be innocent of any wrongdoing. The social worker was even accused of misleading the *ejidatarios* with her optimistic projections of earnings, supplied of course by her own ministry, and she concluded that her position among them was so compromised by the turn of events that
she tentatively decided to resign before the end of the 1981-82 cycle.

The question that emerged was, how to proceed? Further cooperation with El Molino and especially with Huejotitán was virtually impossible for Zapotitán. Both Zapotitán and Huejotitán decided to reconstitute their respective lands as production units under the Agricultural Development Law, but independently of each other. For undetermined reasons, the Minister of Agriculture declared that individual *ejidos* could not form production units, that only two or more *ejidos* or individual *ejidos* with small property-owners could do so. Consequently, these *ejidos* could not form separate production units, although Zapotitán achieved virtually the same status due to its excellent credit history. At the time I left Mexico, it was unclear how the machinery that the union purchased would be divided among the new units, but one thing was clear: much of the machinery used in 1980-81 had been paid for and the *ejidatarios* faced the 1981-82 cycle with greater experience and on a stronger financial footing than they had achieved in previous cycles.

It is interesting to note that in both *ejidos* the widows of *ejidatarios* pressured their leaders most effectively to continue the project. Despite the disappointments of 1980-81, these women did better financially in participating in the project and realizing six to seven thousand *pesos* per hectare than in renting their lands to others for perhaps 1,500 *pesos* per hectare.
Implications

I do not wish to offer premature conclusions for this preliminary analysis. Instead I prefer to discuss the implications of this analysis as it now stands. These implications fall into three categories: first, what is likely to happen during the next few years of the transformed Hungarian Project, if it is not cancelled altogether; second, what are the implications of SAM and the LFA for Mexico's food problems; and third, what does the analysis say about the future relations between the United States and Mexico. These categories are arranged in decreasing order of certainty on my part.

With regard to the future of the Hungarian Project, it seems likely that it will remain in the first phase of increased productivity, at least until some other master plan is articulated, when the entire project may suffer a vain-glorious demise. The vision of a complete agroindustry in the valley, providing employment and better incomes for the people of these communities, now seems completely implausible. What is most worrisome is that Mexican agronomists and technicians from the Ministry of Agriculture and other ministries will be directing the efforts of the ejidatarios. They are unfamiliar with the Hungarian techniques and are not committed to them. The ones I knew in 1981 seemed to pull the ejidos in different directions, representing different bureaucratic interests: the Ministry of Agriculture, the Ministry of
Agrarian Reform and the Rural Bank.

Even if the project is stillborn, the ejido of Zapotitán will be in a relatively good position for the next few years. The ejidatarios gained important experience in 1980-81, as they virtually carried the entire project. Even if they did not realize the net income which they anticipated, their financial situation is sound in that they can acquire literally all the financing they need from Banrural, the state bank for rural development. Even if SAM were to be terminated, and even under the LFA, which appears to have excluded them, they probably will do well, at least compared to other ejidos in the area. Their leadership is better suited to the types of rural development programs which the technocratic Mexican state is likely to propose in the 1980s. And since the land that is most subject to flooding is in the ejido of Huejotitán, Zapotitán should do better on its own in 1981-82.

Huejotitán, in contrast, will probably not do well because they did not gain as much practical experience during the last cycle. Their lands are more subject to flooding. Strong group divisions exist within the ejido. And their leadership has been of a cacique-type, which may be less effective in technocratic Mexico in the 1980s. The last statement presupposes relatively consistent policies in the next sexenio, which the designation of Miguel de la Madrid as President José López Portillo's successor virtually assures.

I would like to turn to an issue which has not been addressed directly in this essay. So far I have used the term "peasant" only descriptively, not analytically, to refer to
anyone who lives in rural Mexico. In part, I have done so because this is how the term is used in the state policies to which I have referred and by the *ejidatarios*, who call themselves *campesinos*. The issue which needs to be discussed is whether SAM, the LFA and the Hungarian Project represent a social transformation of the peasantry into something else.

Of course, since the Mexican Revolution of this century and especially since the Agrarian Reform, the peasantry has been defined by their relationship to the state, rather than to landlords, especially in the Mexican West, where social relations during the Porfiriato differed from those of central and southern Mexico. The *ejido*, it bears repeating, was established as a legal person in the Constitution of 1917, a status peasant communities never had in classic European feudalism. Indeed, SAM was touted as the forging of a new alliance between the state and the peasant, as suggested in the slogan, "Trato Limpio con el Campesino" ("Clean Treatment for the Peasant").

The identity of the *ejidatarios* as peasants does not seem a problem among the people of Zapotitán and, in many regards, they are now operating as a society of petty entrepreneurs. This identity, however, is problematical for the *ejidatarios* of Huejotitán, who expressed their resistance to the Hungarian Project in terms of their fear of being transformed into proletarians (*sonaleros*) working their own lands. I do not interpret this fear in terms of attachment to the land or peasant autonomy. The issue, I believe, is gainful employment with security. Felipe Estevez of Huejotitán once complained
bitterly to me not of the lack of peasant autonomy but of the lack of jobs in his town. He pleaded for any kind of program which would bring employment to Huejotitán and he made disparaging remarks about émigrés who returned to this town from the United States for visits only to parade their material wealth and ridicule the poverty of those who had stayed behind.

How does one account for this difference of perspective between the ejidalarios of Huejotitán and those of Zapotitán? It might seem quite ordinary to suggest that leadership is the issue, but I believe that it is. Again, I do not mean leadership in the abstract sense of policymaking but in the concrete sense of relations of production. To take the examples of Felipe Estevez and Juan Arroyo, both are what Gramsci has called organic intellectuals, in the sense of persons arising in a particular social class who elaborate and articulate a particular interpretation of their class predicament and propose means to deal with it. They certainly are not traditional intellectuals who are tied to society's institutions. Juan Arroyo more closely approximates the organic intellectual than does Felipe Estevez, who is compromised by his shrouded dealings with officialdom. Juan Arroyo advocates careful collaboration with the state and he easily is an equal to the state's local representatives in maneuvering within established channels. His experience and understated personal style make him indispensable in his community. It is doubtful that any of his immediate group, with whom he gracefully shares power, could readily take his place. Felipe
Estevez is a cautious co-conspirator who, as I suggested earlier, rules through fear. The social worker told me that when one person in Huejotitán expressed to her vague opposition to Estevez in a private conversation, she encouraged him to speak out publicly, to which he replied that she did not know what things were like in Huejotitán when she was not around. Although no one else I knew had his charisma, there very probably are several persons who could take his place, for the state has its ways of conjuring up such individuals.

There is no doubt that SAM, the LFA and the Hungarian Project are having a great impact upon the ejidos and people of Jocotepec. The ultimate question is one of social transformation: does the technocratic character of the contemporary Mexican state mean that these "peasants" will be pauperized and proletarianized, as may well happen in Huejotitán if the Hungarian Project fails, or will they be transformed into petty, collective entrepreneurs, as appears to be occurring in Zapotitán? In either case, current models of peasantry which stress subsistence orientation are unlikely to be of assistance.

The second implication I will discuss concerns the technical rather than the social orientation of the model of development that is implicit in this project and in other activities sponsored by SAM and the LFA. During the twentieth century, many observers of Mexican society and history have observed that the ultimate hope for Mexico was the ejido. Of course, these observers have differed with regard to what they consider the advantages of the ejido. Now, in the 1980s,
it may seem that SAM and the LFA signify that Mexico is turning away from the *ejido* to high technology solutions for development. In particular, the intensive use of petroleum-based fertilizers and pesticides, not to mention large, expensive machinery, might sound like precisely the wrong kind of development. Why not employ ecologically sound, intermediate technology and organic methods more in accordance with the existing social relations among peasants? These questions seem especially appropriate for Mexico, whose petroleum reserves are predicted to last for about 40 years. What happens to high-technology Mexico when the oil runs out?

I would like to suggest that the wisdom of "little is better," as broadcast from wealthy, industrialized countries like the United States, is perceived quite differently in the so-called Third World. More precisely, the anti-high-technology argument sounds to people in the Third World like another attempt to keep them from sharing in the material comforts of the modern world. After all, we are telling them what to do again and we are not following our own advice!

From Mexico's perspective, the insistence upon high-technology solutions for the country's woes is entirely understandable, as a contradictory move in a contradictory world. This logic is most easily stated in terms of the alternative of *not* following a high-technology model. The features of SAM and the LFA make it clear that social relations in Mexico, particularly in the countryside, are so potentially explosive that only a massive technical solution is possible. A technical solution, of course, appears not to change the pre-
existing social balance, at least not in the short run, the way an authentic agrarian reform or even an enclosure movement might. So in the first place, the high-technology alternative is dictated by the existing relations between social classes in Mexico.

Mexican leaders understand quite well that the golden ear of oil is finite and has certain negative consequences, referred to as the "petrolization" or even the "Iranification" of the Mexican economy. As stated earlier, the current estimate is that Mexico will not run out of oil for 40 years. Their sensitivity to this issue is reflected in the joke that was going around Mexico last year, to the effect that due to the inferior academic training of Mexican economists, there had been a slight miscalculation of the time the oil reserves would last. The decimal point had been misplaced, such that the actual period was only four, not 40, years. The irony of this joke makes it patently clear how sensitive Mexicans are to the uncertainty of a future dependent upon oil.

For Mexicans, the question is one of what is worse, conserving the oil and failing to take advantage of the historical moment, or using the oil now and figuring out what to do when the oil runs out at that time? At a time when nuclear power is on the wane in the United States, it is being actively promoted in Mexico, as a means of slowing down the exploitation of oil and offering an alternative to gas-fired electrical plants when the gas is gone. In other words, their attitude is, let's do it now and work out the ensuing problems
when we have to. The only restriction placed on this kind of growth is to make certain that the growth does not get out of hand and incite another revolution.

As contradictory as this may sound, I do not see how we could expect them to do otherwise. For Mexico to adopt an intermediate-technology solution now, without having gone through a high-technology phase, is to condemn it to an eternal position of inferiority, especially vis-à-vis their powerful neighbor to the north. They will not do it.

Finally, I will circle back to the international implications of SAM and the LFA, particularly regarding relations between Mexico and the United States. Oil obviously is the basis of Mexico's newly acquired prestige and power in the New World. President López Portillo has manipulated this leverage with admirable skill, using the sale of crude oil at below-market prices as a kind of foreign aid to its poorer neighbors. As a consequence, a policy like SAM is important to the entire Third World. For Mexico to re-establish food self-sufficiency, at a time when organizations such as the Inter-American Development Bank are calling on Latin American countries to forget about self-sufficiency and be satisfied with relative food security, is a tremendous gesture on the part of the second most dynamic economy in Latin America. Obviously, the Mexicans are anxious not to fail, as failure now means not only eating U.S. grains but having their faces rubbed in the mud. Consequently and understandably, they are cautious about programs like the Hungarian Project, which might be interpreted as suggesting that Mexico cannot do it
alone and must depend upon outsiders for help. SAM is Mexico putting it to Uncle Sam with flare and grace. The LFA is a less publicized tool to guarantee that result.
NOTES

1. The research from which this essay derives occurred between August of 1980 and July of 1981, when the author enjoyed a Fulbright-Hayes grant in Mexico. I particularly wish to thank Mr. Frank Lattanzi of the American Consulate in Guadalajara for his personal and professional consideration during this time. The essay was originally presented as a colloquium paper at the Latin American Institute of the University of New Mexico. I would like to acknowledge Karl Schwerin's astute comments. Later, the essay was presented at the University of Michigan, where I also benefited from comments.


7. The ejido of San Marcos lies in the municipality of Zacualco de Torres.

8. Eric Van Young, personal communication.

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