

DONNA BINDER—IMPACT VISUALS

Is private money the answer? The president greets campesinos in Mixteca

Can Salinas Fix the Farms?

Reforming the *ejido* is his thorniest challenge

Mexico's system of communal agriculture—known as the *ejido*—is a showcase of land reform: the government owns two thirds of Mexico's scarce farmland and grants peasants the use of individual parcels free of charge. The *ejido*, which dates back to the Mayas, is deeply embedded in the soul of the Mexican Revolution, and a reformer like President Carlos Salinas de Gortari must tread cautiously. "Collective property has centuries of deep roots here," says historian Lorenzo Meyer. "To get rid of the *ejido* is to get rid of power."

Yet the system is desperately in need of reform. Small plots and meager financing have made Mexican agriculture sadly unproductive. Corn imports have jumped 80 percent this year; purchases of U.S. grain approach \$850 million, and Mexico is now the world's No. 1 buyer of powdered milk. *Campesinos* who cannot scratch out so much as the minimum wage are abandoning their plots for the cities—or the United States. Unless Salinas can modernize the *ejido*, says sociologist Othon Baños, "his administration will be known for failing to solve Mexico's most important problem."

Salinas, whose Harvard doctoral thesis examined Mexico's rural political economy, has recruited a new Agriculture secretary, political veteran and wealthy entrepreneur Carlos Hank González. They have created what could be called Ejido Inc. No longer able to afford massive and risky credits for farm supplies and equipment, the government has rounded up \$500 million in mostly private capital. The public-private joint ventures are designed to

resuscitate the peasants' plots with modern irrigation equipment, better transportation to market, tractors, more reliable crop-storage bins and professional farm-management advice. Investors, who buy Mexican government debt as part of the deal, get a percentage of the crop's profits. "We're talking about a whole new era for the *ejido*," says Agriculture Subsecretary Gustavo Gordillo.

A question of control: Others fear they're talking about the *ejido*'s eventual extinction. Gordillo, mindful that the *ejido* is enshrined in the Constitution, insists, "We are not privatizing the *ejido*." But skeptics claim that, as more private money and technology pour in, the *campesino* will lose control of his land. "When the *campesino* is just

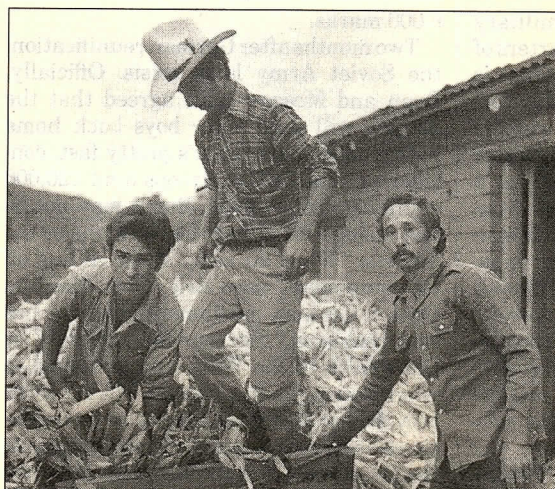
receiving a salary from private investment, that is not an *ejido*," says Arturo Warman, director of Mexico's Indigenous Institute.

That concern is being tested in the remote northeast village of Vaquerías. Mexico's giant cookie corporation Gamesa has invested more than half of \$12 million in new capital in Vaquerías's 12,000-acre *ejido*. The commune now enjoys new electrification, irrigation and John Deere tractors; it has planted three times more beans and saved three times more water than usual. Gamesa hopes the venture will produce much-needed wheat for its cookies (though the *ejido* is not obliged to sell its produce to Gamesa) and has promised to split earnings 50-50. That could triple the profits of the *ejido*'s farmers, who in the past have paid about 30 percent interest for government credit. "Emiliano Zapata might not like all this if he were here today," says Guillermo Juárez, 31, a local *campesino*. "The only thing I could tell him is, 'This puts more beans on the table.'"

But many in Mexico's private sector want to go much further. They argue that the Constitution should allow individuals to rent or own *ejido* lands. One reason: economies of scale. Of Mexico's more than 28,000 *ejidos*, 80 percent are too fragmented for efficient farming. Moreover, say critics, as long as the *campesino* is merely a caretaker of his plot, he will never be motivated to maximize production. And because the *ejidos* get precious water free, there is little incentive to use it wisely. Almost half of all irrigation water is lost before it reaches the crops. Even some officials inside Salinas's camp are clamoring for privatization. But the prospect of *campesinos* selling off their plots to large landholders raises memories of prerevolutionary Mexico, when many peasants were little more than slaves to the landlords.

Gamesa president Alberto Santos de Hoyos—known in Mexico as Don Galletto ("Mr. Cookie")—insists he is not an overseer: "The *campesino* is the

manager, period." But the company has at least a presence in the fields: even as farmers till the newly laid-out fields in Vaquerías, a project manager from Gamesa's agriculture subsidiary tours the *ejido* in a truck as a consultant-supervisor. And Gamesa has sent 18 *campesinos* to Portland, Oregon, to learn modern farming methods. Experts like Meyer doubt whether the Mexican *campesino* will ever show the initiative required of a modern "citizen-farmer." But in Salinas's Mexico, even the peasants are learning that the future means business.



LONNY SHAVELSON—IMPACT VISUALS

Choosing between ideology or efficiency: Field workers

TIM PADGETT in Vaquerías