

Better Relations?

Both presidents said so after their meeting. But serious doubts linger and are bolstered by events after the fact.

México's short-term policy was shored-up by the series of economic and trade agreements reached by presidents De la Madrid and Reagan during their meeting last August 13. The Reagan Administration agreed to support México's ongoing negotiations with the banking community and displayed a positive attitude by renewing U.S. purchase of Mexican tuna, programming new acquisitions of Mexican oil for its strategic reserves, and stepping up the pace of negotiations for a broad-based

trade agreement. Yet despite the optimistic results, relations between the two countries are still conflict-ridden.

BY NO MEANS THE FIRST LINE

Interviews between the presidents of the United States and Mexico have been a frequent event throughout the century. They began in October 1909 when Porfirio Diaz—who once said: "Poor Mexico, so far from God and so close to the United States"—met with William Taft. There followed a 34-year gap in the meetings due to the turmoil and friction caused by revolution south of the Rio Grande. In 1943 presidents Manuel Avila Camacho

(1940-1946) and Franklin Roosevelt met in the northern Mexican city of Monterrey. Since then, the presidents of both countries have met 35 times.

Gustavo Díaz Ordaz (1964-1970) was the Mexican president who met the most times with his U.S. counterpart: eight interviews in all, 5 with President Johnson and 3 with Nixon. President López Portillo met once with Gerald Ford and 3 times each with Jimmy Carter and Ronald Reagan. While seventeen presidential encounters have been held in our country and 18 in the United States, over the years 9 Mexican presidents have met with 10 chief executives from the north.

This high frequency of encounters is explained by the close ties between neighbors, starting with a 3,000 kms. common border. Mexico sends 67% of its exports to the U.S., including 60% of the crude oil it sells abroad, and 70% of our imports come from the United States. It has been estimated that by 1985 close to 10 million Mexicans had migrated north in search of work, giving rise to labor problems on either

side of the border. Additionally, over half of Mexico's \$100 billion foreign debt is owed to U.S. banks, who also happen to be the main recipients of the capital flight afflicting our country. Further, 70% of all direct foreign investment in Mexico comes from the U.S., as does 60% of the technology we use. While 2 million Mexicans visit the United States each year, 6 million North Americans come south.

The importance of this latest interview between De la Madrid and Reagan could be measured according to indicators such as new treatment of immigrants, the possibility of fresh incoming credit agreements. Yet beyond whatever practical results these good intentions may yield, the really new framework is in the political good-will shown by both governments to build cooperative ties on the basis of facts and action and no longer clouded by mutual suspicion. Relations between Mexico and the U.S. have been historically asymmetrical. Common problems tend to take on intense dynamics which often complicate the foreign policy designs of one or another country, and that either generate undesirable side-effects or introduce ideological judgments that pertain more to the past than to the present.

This interview was "much more cordial" than previous ones partly because tension generated during President De la Madrid's visit to Washington in May, 1984, had been somewhat alleviated. But another factor that explains the warmer atmosphere is that the August encounter took place following important policy decisions by the Mexican government to introduce structural change in the country's economy, both in matters of trade and of finance.

De la Madrid and Reagan's encounter in 1984 was a meeting of discrepancies, mainly over México's Central America policy, and it took place in the midst of accusations launched by *Washington Post* columnist Jack Anderson to the effect that President De la



Photo by Presidencia de la República

President De la Madrid fencing at the National Press Club in Washington D.C.

the nation

Madrid had "deposited at least \$162 million in foreign banks." Mr. Anderson said the sources for his information were in the CIA, and that the overall framework for his story was "corruption among Mexican presidents." All of this led the Mexican government to issue a public statement denying the veracity of the information, and along the way a complaint was lodged against the *Washington Post*.

THE RESULTS OF THE INTERVIEW

Specific result of the presidential interview include an agree-

ment to lift the U.S. embargo against Mexican tuna that had been in effect for 6 years. Aspects of trade and finances, drug traffic and immigration were also on the presidential agenda.

On his return President De la Madrid stated that these conversations were very important, and that following this latest interview Mexico will go to extraordinary lengths to improve its relations with the United States. He also acknowledged the Reagan administration's "highly valuable" role in Mexico's negotiations with international finance institu-

tions, mainly the International Monetary Fund, and said that White House support helped find new, more flexible and realistic formulas for dealing with Mexico's foreign debt.

On the point of Mexican undocumented workers in the United States, De la Madrid stated that the issue arises from structural economic factors on either side of the border, and that hopefully the flow of migrant workers will be reduced as Mexico's economy improves its performance.

Drug trafficking was a high-priority issue in the presidents'

conversations. De la Madrid emphasized his country's position that international cooperation is essential to effectively combating drug traffic. "We believe it is vital to attack all of the links in this criminal chain simultaneously and with greater determination," said De la Madrid, and he praised President Reagan's campaign against drug abuse and distribution in the U.S. He added that the fact that both presidents gave priority attention to their points of agenda was an indication of the deep and firm friendship between Mexico and the United States, one which is mutually beneficial.

For his part, President Reagan expressed approval of the economic path Mexico is following, and stated his willingness to help the country resolve its financial woes. He added that the United States hopes to see growth and development in Mexico such as the country knew during the decades before the 1982 crisis, and stated his belief that it has the resources that make prosperity possible.

No doubt many factors contributed to the positive atmosphere of the fifth encounter between De la Madrid and Reagan, and it differed from previous ones both in its results and because of a important to the outcome: Mexico's becoming a member of the General Agreement on Trade and Tariffs, GATT, is a step whose agreements into "broad trade agreements" within the GATT's framework. But a weaker dollar and a not-so-strong Reagan who faces many unresolved foreign policy issues, also contributed to the new context.

This latest presidential meeting took place in the midst of one of the most difficult bilateral contexts in decades because of Mexico's economic crisis, but also because many of the explicit and implicit rules that have framed the bilateral relation are no longer operative. Mexico's foreign policy is a case at hand. For decades the design and execution of policy toward the U.S. was exclusively in the charge of the

Photo by Manuel Alvarez Bravo



Following new agreements, Mexican fish will flow north again.

president and the ministry of Foreign Affairs, a situation which allowed for a great deal of coherence. But increasing economic integration between Mexico and the United States, and the country's acute financial crisis have led both the Treasury and Commerce ministries into the realm of U.S. Mexico policy and relations, in the political arena as well as in economics. Although for different reasons, a similar process is underway with the Attorney General's office and with others, and the logic of events has also led congress into assuming a greater role in foreign policy. Furthermore, the complexity of the border situation has led both governments to a sort of de facto foreign policy.

ago our system was broadly regarded as a model for other Third World countries, today it is portrayed as incapable of guaranteeing economic growth and as politically vulnerable. Whether or not these perceptions are based on fact, the truth is that Mexico's internal politics and policies have become part of the bilateral agenda.

And last but not least, the basic premise underlying U.S. foreign policy—the main point of which is the East-West conflict—crops up in the U.S.' unilateral economic and political decisions at a world level, something which also affects Mexico.

Altogether, these changes are taking place at a time of in-

Meetings Between Presidents de la Madrid and Reagan:

October 8, 1982

Coronado, California (De la Madrid as president-elect had not yet taken office.)

August 14, 1983

La Paz, Baja California, Washington, D.C.

May 14-16, 1984

Mexicali, Baja California Washington, D.C.

January 4, 1986

August 13, 1986

The picture of U.S. policy toward Mexico, on the other hand, is also increasingly complex. Perceptions about Mexico's political system are changing in government circles as well as among academics, businessmen and in the media. Whereas 20 years

creasing economic, social and political integration between the two countries. Bilateral relations will no doubt face enormous challenges given the disparity in conditions between Mexico and the United States.

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Edna Lydia Santin



Photo by Sergio Dorantes

Migrant workers crossing the 3,000 km long border at some point.

New Government, Old Problems for Oaxaca

While a governor with good credentials takes office, the opposition alleges fraud and takes to the streets in Juchitán.

Oaxaca, one of the country's poorest states, has great expectations for the new Governor-elect, Senator Heladio Ramírez López. In the August elections, people chose not only a new governor, but also 18 state representatives and 570 mayors. Together they must provide leadership for a region that in many ways represents a synthesis of Mexico's deepest agricultural contradictions. They inherit the old problems related to agrarian property structures, economic backwardness, the marginalization of its Indian population and misery. The challenge they face is quite overwhelming.

Oaxaca's 2.59 million inhabitants live on a subsistence economy. And while it is the country's next to last state along the southern Pacific coast, it may well be the first state when it comes to problems and needs.

Some 70% of the state is mountainous, with few roads. Every year during the rainy season, the tiny mountain villages, home to more than 300,000 Indian peasants, are cut off from the rest of the state. But their isolation has other dimensions, as well. People have very few opportunities for development, little chance to learn Spanish (which would allow them to communicate and defend themselves better) and little access to culture, in general. Just in the Huautla de Jiménez mountain range and the Cañada region, 40% of the communities have no postal service, none has a telegraph post and 70% do not have adequate transportation or roads.

Oaxaca has the highest illiteracy rate and the highest rate of peasant out-migration in the nation. Thousands of people born in Oaxaca now live in Mexico City's slums. Others work as farmhands, paid on a piece rate during the harvest season in the country's northern-most states. And others cross the border, headed for California, the richest state in the world's richest country.

More than half of Oaxaca's agricultural potential is unexploited. A quarter of its residents are ill-paid craftsmen, and about 90% have no access to social security. Potable water is scarce even in urban communities, to say nothing of the rural areas. Wholesale commerce is controlled by just 0.5% of the state's businessmen, and problems with intermediaries force up prices for basic consumer products.

The crux of Oaxaca's problems lies in the fact that its economy is much too small to be able to take advantage of its tremendous natural and human resources. According to the State Development Plan, Oaxaca cannot generate the conditions needed to assure self-sustained growth. Currently, the federal government covers 92% of the state's expenses.