

**Carlos Vásquez and
Manuel García y Griego**

EDITORS

**MEXICAN ◇ U.S. RELATIONS
CONFLICT
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Conflicting "National Interests" Between and Within Mexico and the United States

James W. Wilkie

INTRODUCTION

Historically, U.S.-Mexican relations have involved the diplomatic resolution of common border problems causing temporary tension between the two countries.¹ With the advent of the 1970s, new kinds of tensions reflect structural changes in the affairs of both countries and presage the rise of issues in the 1980s and 1990s that might not be susceptible to traditional diplomatic solutions. In this light, students of Mexico should consider dealing specifically with conflicting "national interests" between and within Mexico and the United States, the dimensions of which are only tentatively sketched here. In short, implications of Mexican developments for the United States represent only one side of the coin—the other side involves the implications and impact of recent developments in the United States as they influence Mexico and in turn react back upon the United States. The resultant symbiotic relationship involves a series of apparently unresolvable dilemmas which have to be worked out within each country before they can be resolved between the two.

James W. Wilkie is Professor of History and University-wide Coordinator of the U.S. Mexus Consortium, University of California, Los Angeles. This paper is based on testimony presented by the author before hearings of the Subcommittee on Inter-American Relationships of the Joint Economic Committee of the U.S. Congress, 1977.

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THE TRADITIONAL "DIPLOMATIC APPROACH"

Since World War II, binational border cooperation has been undertaken to resolve a number of matters. Successful negotiations have included U.S.-Mexico pacts to eradicate animal disease (foot-and-mouth disease, 1974; screwworm fly infestation, 1962 and 1966; horse sleeping sickness, 1971), as well as the resolution of historical questions involving nineteenth-century issues (release by the United States of the Chamizal boundary claim, 1967; and release by Mexico of the Pious Fund for support of the Catholic Church in Alta California, 1967). Other successful negotiations have included division of waters (Colorado River, 1945); desalination of water delivered to Mexico (Colorado River, 1965, 1973; Rio Grande, 1966); coastal fishing agreements (1967, 1976); incursion of U.S. citizens into Mexico for stealing archaeological, historical, and other cultural properties for sale in the United States (1970); joint U.S.-Mexican action to suppress the smuggling of marijuana and narcotics into the United States (1970);² and provisions for the exchange of prisoners to serve out terms in their own country (1977).

Even the migration of temporary labor was subject to traditional diplomatic negotiations to obtain bracero pacts between 1942 and 1947 as well as between 1951 and 1964. In the early 1970s, Mexico was again pressing for a new bracero treaty but withdrew its demands after the *Washington Post* revealed, upon the eve of President Echeverría's October 1974 meeting with President Ford, that Mexico had discovered huge oil reserves in its southeast. Echeverría apparently feared that any negotiation for a new bracero treaty would eventually involve exchange for oil sales to the United States at preferential rates detrimental both to Mexico and his OPEC friends.

STRUCTURAL ISSUES TO THE FORE: ORIGINS

Mexican presidential regimes have more often than not paralleled in style and thrust of governmental policy their counterpart regime in the United States. Thus, in spite of different ideologies and problems in and between the two countries, the presidency of Calles came to accept the tone of conservatism espoused by the

presidency of Coolidge, e.g., cutback of land reform and protection of U.S. oil rights. The presidencies of Roosevelt and Cárdenas came to be compared as involving "new deals" for the "people," as Roosevelt and Ambassador Josephus Daniels quashed a move within the Democratic administration to bring Mexico to its knees in retaliation for expropriation of U.S. land and oil rights. President Avila Camacho cooperated closely with Roosevelt in the World War II effort, laying the basis for the "era of good feeling" between Presidents Truman and Alemán. As a symbol of good will, these presidents even exchanged captured flags from the Mexican-American War. Differences about the conduct of the cold war to the contrary, Presidents Eisenhower and Ruiz Cortines governed under the image of father to citizenries enjoying economic stability; and Presidents Kennedy and López Mateos simultaneously offered a shift to social concerns for their respective countries, each appearing as a social reformer after years of emphasis on economic growth. Under the presidencies of Johnson and Díaz Ordaz, troops were called out in both the United States and Mexico to repress students who objected to their country's respective international policies—U.S. students refusing to die for nothing in Vietnam's civil war and Mexican students refusing to support Mexico's bid for international recognition by hosting the Olympics.

In a new era of world politics, most recently, Presidents Nixon and Echeverría set out to reorganize giant bureaucracies to make them more responsive to presidential control. Echeverría sought to follow the Johnson upheaval (accepted by Nixon) giving the federal government new and vast influence over education, health, and public welfare activities. Even with all of Echeverría's shortcomings, at least he tended to foster world law in contrast to Presidents Johnson and Nixon. They tended to violate international and national law and waged a war to protect their own pride—neither wanting to be the first president to lose a war. Not only was the Vietnam War a major cause of U.S. inflation, but it lapped over into Mexico which sells to and imports from the United States over two-thirds of its international trade. At the same time, Echeverría's big-spending policies were undertaken partly to offset an internal depression caused by his administration's initial slowdown in public expenditure to turn

away from economic growth and toward greater social justice. Under recent U.S. presidents, and under Echeverría, the United States and Mexico each underwent "legal revolutions," both countries legislating a deluge of unworkable and ill-advised laws to excessively control and regulate the private sector. Not only have the laws been incomprehensible in the main, but they have enmeshed all concerned in useless paperwork and red tape hardly "managed" by swollen bureaucracies.

Although the analogy between U.S. and Mexican presidential regimes should not be pushed too far, it is clear that Mexico's problems did not all originate under the strange and unstable presidency of Echeverría (perhaps less strange and more stable than those of Johnson and Nixon, if we are to judge by the chaos each left behind). Briefly put, the essence of governmental policy in both countries has followed remarkably similar lines, as in the case of Presidents Johnson and Díaz Ordaz who preferred force to reason. It is easy to justify a policy when leaders of similar inclinations (and close neighbors at that) are taking similar actions. It has often been said that Mexican presidents have been selected to meet the demands of their times, but it could also be argued that they are influenced by their times, and by their neighbors in the United States, as they seek to resolve dilemmas in national development.

STRUCTURAL ISSUES IDENTIFIED: TEN DILEMMAS

Within the context of similar policy orientations, however, Mexico and the United States each face a series of issues that are not subject to traditional diplomatic solution.

MEXICAN DILEMMAS

1. *Mexico's "national interest" to encourage tourism vs. "national interest" to develop industrialization.* Mexico's biggest foreign exchange earnings come from U.S. tourism to Mexico, a tourism predicated upon "bargain prices" and "quaint" living style that is uniquely Mexican. Yet Mexico's drive for industrialization has tended not only to raise the cost of living but also to introduce a modern, mass-produced life style (making Guadalajara little different from Kansas City, if we may exaggerate the

point). Industrialization is increasingly costly as it becomes more technologically oriented to keep up with advances—the earlier and easier stages having passed. And the Mexican middle class appears determined to adopt the latest U.S. styles that are advertised on live television broadcasts of U.S. football games (consumerism being geared to import economy). Ideally, tourism and industrialization should go side-by-side, but in practice industrialization may cause tourists to someday lose interest in Mexico. (Echeverría attempted to limit tourist stays to less than 30 days but, as Mexico priced itself out of the tourist market, he permitted a return to the traditional 180-day tourist authorization to enhance Mexico's drawing power.)

2. *Labor intensive vs. capital intensive economic activity.* Mexico cannot afford the U.S. practice of displacing workers with automated equipment because it does not have a system of unemployment insurance to cover the social costs of such economic advancement. Yet Mexico must displace workers to provide, for example, efficient automated telephone communication for Mexico City which struggles to accommodate its overpopulation. (In contrast to the United States, however, the government of Mexico does provide work for college graduates by creating a never-ending stream of well-funded government study commissions.)

3. *Need for U.S. investment vs. loans.* With Mexico's capital needs outstripping domestic resources and imports exceeding exports, Mexico under Echeverría (1970–1976) sought to regulate private investment. At the same time, it placed a greater emphasis on gaining more foreign credits, mainly from the United States, especially as Mexico saw foreign investment levels decline and domestic capital flee in the face of governmental caprice. However, the loans won by Mexico were not as efficiently used as planned, negating any hoped-for gains from public sector control over private foreign funds—private sector efficiency tends to be more productive and less inflationary in its national impact.

4. *Need for diversified trading partners throughout the world to achieve "economic independence" and insulation against U.S. recessions vs. reliance on its U.S. neighbor, especially during times of economic crisis.* Echeverría's planned trade diversification was damaged by a world economic slump, caused by OPEC price rises that compounded the problems of his mid-1970s recession, thus making Mexico more dependent upon its closest trading

partner. At the same time as Mexico's social and economic experiments caused internal recession of production and flight of capital to the United States, Mexico found itself to be also in need of imported goods and capital from the United States. Ironically, recession meant less diversification of trade partners.

5. *Need to modernize agriculture (i.e., to expand food production for Mexico's cities and to expand exports) vs. need to distribute land.* Under the official Partido Revolucionario Institucional (PRI), land distribution served as the major test of "revolutionariness" for each leftist-oriented president since the 1930s. By periodically passing the test in order to assure that at least about half of the agriculturally employed population always holds land under the land reform law, the PRI has attempted to justify its continued one-party rule for "permanent revolution." Lands are granted in community-held form, which has never prospered and does not show much prospect of doing so. After the rhetoric of Echeverría (who did not distribute as much land as his two immediate predecessors but who did try to distribute the better lands located in northwest Mexico), the government is again talking of the criteria of efficiency in production instead of the "worker's right to own the land he works."³

6. *Need for open U.S. border as an escape valve for excess labor vs. need to retain ambitious rural workers in Mexico.* Too often the escape value drains the best rural workers out of Mexico, resulting in a long-term accumulation of a less competent rural labor pool. Ironically, while Mexican governments demand protection of the rights of Mexicans working in the United States, they have closely curtailed the rights of U.S. citizens to work in Mexico.

UNITED STATES DILEMMAS

1. *U.S. "national interest" to have a cheap reserve labor pool vs. "national interest" to close the frontier to "excessive" immigration from Mexico.* Although the U.S. government now feels that temporary labor is not in much demand, in the past it has felt differently and may do so again in the future. In the meantime, the illegal influx of laborers, many of whom remain permanently, appears to threaten minimum wage provisions and places an added burden on U.S. health and welfare functions.

2. *Need to expand exports to Mexico vs. need to control imports from Mexico.* Perhaps because Mexico has so many high barriers to protect its industry (which is often also subsidized by the Mexican government), the U.S. government generally has felt justified in initiating sudden changes in import quotas and taxes (most recently on items such as shoes). These sudden U.S. changes do not allow Mexico to develop stable national plans and they encourage the kind of unstable Mexican reactions criticized unfairly in 1976 by seventy-six U.S. Congressmen.⁴ Although it could be argued that Mexico's protectionism is best met by U.S. protectionism, Mexico's industry is so penetrated by U.S. investment that it can therefore be considered to be an extension of the U.S. economy—and it is thus considered by many Mexican observers of all political shades.

3. *U.S. "national interest" to have a healthy, stable neighbor on its southern border vs. "national interest" to keep Mexico politically and economically dependent as the United States seeks to retain its role of world leader.* With Echeverría's plan to make Mexico a leader and conscience of the "Third World" against U.S. "abuse of power," and with Echeverría at one point apparently unable to defeat rural and urban guerrillas, the U.S. military probably drew up "contingency plans" for sending troops to Mexico. When I lectured at the U.S. National War College in 1973 and again in 1974, U.S. officers attempting to qualify for new promotions repeatedly asked me if it were not in the "national interest" of the United States to send troops to Mexico. My response was: It is in the U.S. "national interest" to have stable friends where intervention is not necessary. Although it appeared to be in the U.S. best interests to intervene in Mexico in 1916-1917, intervention accomplished nothing (as in Vietnam) and withdrawal permitted Mexico to gain its own experience with success and mistakes that would eventually make it into one of the most stable countries in Latin America. Had the United States continued to intervene militarily in Mexico as it did in Haiti, in the Dominican Republic and in Nicaragua, we could expect to see the same kind of dismal results. Has the United States not yet learned that it cannot create the "great society" in the United States, let alone force it on others?

4. *U.S. foreign aid vs. a "special relationship" with Mexico.* Although the Alliance for Progress did not "fail"—it could never

have succeeded in the short time allotted—and Mexico did not receive much assistance because it proudly believed that it could handle its own development, it has been suggested anew that foreign assistance can solve Mexico's problems.⁵ Mexico's oil wealth will certainly obviate the need for U.S. or any foreign "experts" poking around the country telling Mexico how to "recover" or "takeoff." Mexico can justifiably argue that if it were accorded a true "special relationship" owing to its 2,000-mile border with the United States, its economy would not be subject to the whims of the U.S. Congress. The U.S. Congress has most recently dealt a serious blow to the recovery of Mexico's tourist industry by limiting the number and conditions under which U.S. citizens can attend tax-deductible foreign conventions. In addition, by imposing controls on meats, fruits, and vegetables, the U.S. executive agencies work a tremendous hardship on Mexico, as in the case when suddenly certain grades of tomatoes are prohibited from import to the U.S. market after they have been planted and harvested.

Clearly the dilemmas enumerated here move beyond the traditional realm of diplomatic negotiation. How can conflicting international issues be resolved if conflicting national issues for both countries have not been articulated? How can the United States treat Mexico fairly if it does not understand Mexican politics?

THE POLITICS OF "CRISIS" IN MEXICO

It is common in the United States to denigrate the idea of government by "permanent revolution" in Mexico, not only because U.S. tradition is based upon evolution, but also because the U.S. left likes to talk of Mexico's "frozen revolution." However, "revolution" in Mexico is a code word for development. Although massive social and economic change has taken place, it has come unevenly and under the constraints of one-party politics. This situation has led to calls for change within the political system, particularly following a change in administration.⁶ Thus, after the crisis of the Echeverría administration was identified in 1976, the country's new leaders turned away from trying to lead the Third World, and, as they slowed down land reform, they sought

an "alliance for production" in order to ease inflationary pressures caused by too little output in the face of heedless government expenditures. Confidence in the Mexican system has been subsequently restored as the new president, José López Portillo, ended the practice of governing mainly by rhetoric. The official party rallied, as it has before, to provide a periodic new image in order to assure its continuance in power.

Moreover, crises seem to be endemic to the Mexican system, particularly when viewed from the United States. Every few years Mexico appears to undergo a "final crisis" of the revolution that began in 1910. But what happens in Mexico is that the revolutionary family, governing Mexico under a one-party system, is able to—within the wings of right, center, and left of the party—resolve these crises, pull the family together by working the problems out from within, and keeping the party in power. In 1940, the presidential transition that threatened to lead to a bloody civil war was eased when outgoing President Cárdenas balanced his 1938 expropriation of the foreign-owned oil industry with the choice of a successor who would avoid controversial programs, thus calming unrest in Mexico and restoring U.S. confidence. We saw similar "crises" when activist presidents, for example, placed so much emphasis on economic growth in the 1950s that a series of general strikes occurred in 1958 and 1959, a series that threatened to bring the Mexican political system down. By shifting Mexico's developmental emphasis toward more social benefits for the people, President López Mateos was able to push himself to the top of the Mexican political system.

Since each president holds power for six years and can never be reelected, at the end of six years political innovation has died out as the outgoing president seeks only to implement his "solutions" to problems identified when he took office. To renew the political system, younger generations compete to identify crises and thus determine Mexico's course for the following six-year presidency. New leaders, then, push themselves to the top by successfully identifying a crisis and convincing enough Mexicans that theirs is indeed the most serious crisis. Viewed from outside, this political system seems unstable; from inside, this system works rather smoothly to maintain the party of permanent revolution in power. In this process the problem Mexico faces is that of distinguishing between real and apparent crises.

The most recent crisis, an artificial one, came in 1976 at the end of the Echeverría administration. It had to do with presidentially-generated land invasions in northwestern Mexico. Although the massive redistribution of land in the 1930s has led President Cárdenas to claim that he had distributed all land and ended the need for further reform, after decline of land reform in the 1940s and 1950s, President López Mateos underlined his shift to social programs by discovering new lands to distribute. This discovery involved not renewing certificates of inaffectability, originally granted by Cárdenas, the "great leftist president of Mexico," who had realized that Mexico would have to feed its urban population by protecting large cattle ranches from land reform. Cárdenas, who distributed more land than any other president, granted certificates of inaffectability that ran up to thirty years. Beginning with López Mateos, presidents have not been renewing these certificates of inaffectability, thus "finding" land they can distribute to communal farmers.⁷

For a time observers believed that Mexican land reform did not involve crisis because reform was quite productive. Now it does not appear as productive as once thought because the private sector was selling much of its produce to communal farmers who had guaranteed sales to the Mexican government. This distorted the data as to who was producing how much food.

On the one hand, land reform makes sense in Mexico because Mexico does not have an unemployment insurance system and land reform provides labor-intensive jobs. On the other hand, Mexico must feed itself, and it is estimated that by around 1990 Mexico will not be able to do so. For example, Mexico is already importing wheat, milk, and corn. It is working itself into a long-range position of dependence upon the United States for imports of food.

In spite of the Echeverría-generated land crisis intended to call attention to the plight of the rural poor, "permanent revolution" has involved more than a myth: Non-monetary poverty data for Mexico declined rapidly during the 1960s even in Mexico City where it had not declined during the 1950s. The national data (see table 1) shows that percentage decline reached its fastest rate ever (25.1 percent) between 1960 and 1970, a fact obscured by the largely irrelevant debate over Mexican income distribution. Though income may have become relatively more concentrated, the middle classes and masses feel themselves to be better off in absolute

TABLE 1.—SHARE OF MEXICO'S POPULATION LIVING ILLITERATE, ILL-FED, ILL-CLOTHED, ILL-HOUSED, AND IN SOCIAL OR GEOGRAPHIC ISOLATION, 1910-1970

Census year	Average percent
1910	56.9
1921	53.1
1930	50.0
1940	46.6
1950	39.4
1960	33.1
1970	24.8

Source: James W. Wilkie, *La Revolución Mexicana (1910-1976): Gasto Federal y Cambio Social* (México: Fondo de Cultura Económica, 1978), p. 370.

terms. And it is the increase in their consumer purchasing power that helped fuel inflation. Although first-time visitors may be appalled at Mexico's poverty, anyone who has traveled regularly through Mexico during the last twenty years can see today's relative affluence. The problem in Mexico does not involve so much redistributing income as it does slowing down the mad rush for consumer goods and the "better life" which is putting a tremendous strain on the ability to produce or import goods when capital accumulation is needed to build Mexico's economic infrastructure. Disillusion with consumerism led the Echeverría government to sympathize with the Club of Rome's "no growth" philosophy precisely in order to emphasize social justice instead of economic investment. Ironically, the masses may be demanding the growth which will allow them to buy the goods that will change the face of Mexico so that it is less desirable for needed foreign tourism.

Many officials in the López Portillo government inaugurated in 1976 recognized the crisis in production. To begin with, they talked about an end to land reform. Once again they argued that land reform cannot continue because it works against the interests of the urban folk who demand their right to eat inexpensively—in contrast to the worker who has demanded the right to the land

he works. The government of López Portillo moved away from the Third World activism that was sponsored by Echeverría. It recognized that it must resolve internal problems, and to their end, undertook a bureaucratic reorganization as has the United States beginning with President Carter.

CONCLUSION

"Crisis" in Mexico may be real or imagined; either way it tends to obscure the dilemma that Mexico's social and economic development is tied to that of the United States. In a sense U.S. events condition events in Mexico. This concept is crucial to U.S.-Mexican diplomatic relations. While the two countries have been successful in the past in working out problems on the diplomatic front, new problems are not diplomatic at all. They involve economic relations between the two, including the immigration of Mexicans who cannot find work. As we have seen, problems arise in no small measure because of erratic U.S. policy toward Mexico, whereby the United States imposes arbitrary controls on agricultural exports from Mexico and disrupts Mexican export plans after crops have been planted. Mexico cannot make economic long-term plans if the United States lacks meaningful policies toward a Mexico that depends on U.S. markets for its goods.

The United States must first of all understand that in Mexico the concept of permanent revolution (open-ended revolution under the aegis of the state) does not mean revolution in a violent or communist sense. It is rather a code word for development. Under a one-party system, Mexico has created one of the most stable political systems in Latin America and has kept political abuse of power to a minimum.

If the United States recalls that Mexico lives by "crises," it will come to expect them, especially under activist presidents, with the realization that crisis will subsequently subside as the less active president who follows will begin to solve Mexico's problems by seeking moderation. This means that the United States must not simply sit back and say that Mexico is facing the final crisis or that it is sliding into "communism," as seventy-six U.S. Congressmen claimed in 1976. It means that the United States must be concerned with helping Mexico to maintain its

own identity. One way to do this would involve stimulating Mexican economic activity with such programs as allowing all American tourists who go to Mexico to import into the United States tax-free as many goods as they would like. This would be a great boon to the Mexican tourist economy, and it would help to expand employment in production of Mexican arts and crafts.

If the United States wants to avoid new generations of Mexicans "disrupting" the U.S. labor market and social welfare system, it could help Mexico by removing most of the tariff and import controls and permitting Mexico to sell whatever it can in the United States, hence opening the door to economic expansion in Mexico. Change within Mexico and the United States means that there are few "solutions" to common problems. With the articulation of the dilemmas in the development of each country, it is clear that actions on either side of the border involve uncomfortable side effects that may well distort major "national interests" of both countries.

Perhaps the advent of Mexico's new petroleum bonanza (since 1976) will help the United States finally recognize that the special relationship of the U.S.-Mexico border requires fair economic treatment from the northern side. In return for access to Mexican oil and natural gas, the United States may have to eliminate unjust trade policy that limits Mexican economic imports into the United States. In the long run, the U.S. "national interest" will be best served by helping Mexico to develop its own national interests.

Notes

1. See Lyle C. Brown and James W. Wilkie, "Recent United States-Mexican Relations: Problems Old and New," in *Twentieth-Century American Foreign Policy*, eds. John Braeman, Robert H. Bremner, and David Brody (Columbus: Ohio State University Press, 1971), pp. 378-419.

2. See Lyle C. Brown, "The Politics of United States-Mexican Relations: Problems of the 1970s in Historical Perspective," in *Contemporary Mexico*, eds. James W. Wilkie, Michael C. Meyer, and Edna Monzón de Wilkie (Berkeley: University of California Press, 1976), pp. 471-93.

3. For further discussion, see James W. Wilkie, "Pulling, Hauling Mark Mexico's Land Reform," *Los Angeles Times*, 26 December 1976, p. VI-3.

4. "Open Letter to President Ford from 76 United States Congressmen of Both Parties Denounces Mexico's Slide to Communism under President Echeverría," *New York Times*, 16 August 1976, reprinted from the *Congressional Record*, 10 August 1976, p. E4499.

5. For quantitative assessment of the alliance, see James W. Wilkie, "The Alliance for Progress and Latin American Development," in *Statistics and National Policy* by James W. Wilkie (Los Angeles: UCLA Latin American Center Publications, 1974), pp. 409-31. On foreign aid for Mexico, see John Parke Young, "Why Not a U.S. Marshall Plan for Mexico?" *Los Angeles Times*, 8 December 1976, p. II-7.

6. For development of this concept, see James W. Wilkie, "Mexico: Permanent 'Revolution', Permanent 'Crisis'," *Los Angeles Times*, 5 December 1976, p. VIII-17.

7. However, the 1981 Mexican Law for Agricultural and Livestock Development has provided anew for the issuing of certificates of inalienability to protect from land reform certain lands used for cattle raising or for the growing of feed grains and other crops.

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Introduction

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In the past decade, there has been a fundamental change in perceptions of Mexican-U.S. relations. As late as 1972, dominant U.S. perceptions of Mexico stressed its poverty, dependence upon the United States, and when compared to the rest of Latin America, its political stability. Relations between the two governments centered on problems arising from their nearly 2000-mile common border; and the presence of substantial pockets of Mexican-origin population just north of that border hardly seemed to matter. Thus, Mexico posed no significant challenges to architects of U.S. foreign policy. Indeed, the common difficulty of those concerned with U.S.-Mexican relations was to persuade highly placed U.S. officials, as well as broad segments of the U.S. public, that these relations were important.

During the last ten years, virtually all of these U.S. perceptions changed dramatically. Suddenly, Mexico acquired an enormous oil wealth. It no longer seemed dependent upon the U.S., and other events suggested it was not politically stable. Border issues were submerged as other problems rose to the top of the bilateral agenda, and the presence of a large and growing Chicano population was

Carlos Vásquez is a Research Associate at the Chicano Studies Research Center, University of California, Los Angeles. This volume was edited during his tenure as an Institute of American Cultures Research Fellow at the CSRC/UCLA, 1980-82.

Manuel García y Griego is a professor at the Centro de Estudios Internacionales at El Colegio de México and Coordinator of the Mexican-United States Program. This volume was edited during his tenure as a Tinker Foundation Fellow at the Center for U.S.-Mexican Studies at the University of California, San Diego, 1980-82.

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perceived to be relevant both for U.S. domestic politics and for binational relations. During this period, these and other developments augured greater U.S. stakes in relations with Mexico, and in the outcomes of Mexican domestic political debates. By the early 1980s, U.S. policy analysts and broad segments of U.S. society no longer asked themselves the question: Does Mexico really matter? Current perceptions are that it does—that events in Mexico, and Mexican government policies, can no longer be safely ignored.

At a very general level, this change in U.S. perceptions can be attributed to discoveries of enormous oil and gas reserves in Mexico and to other global and binational political events which magnified their importance. One of these events was that in the mid-1970s, Mexico's economy stopped growing, and simultaneously, the government faced new challenges to its traditional control over dissent and the domestic political process. Thus, from the point of view of many U.S. and Mexican observers, the discovery of oil could not have come at a better time. According to this argument, oil offered the Mexican regime an instrument with which to "manage" its domestic crisis, and an "historic opportunity" to escape economic underdevelopment and to revolutionize its relations with the United States. Whether or not this argument is correct is the subject of an on-going debate—part of it reproduced in this volume.

Another set of circumstances which magnified the significance of Mexico's oil finds was the progressive decline in the U.S. position of global dominance, and its sharpened sense of vulnerability to world events not under its overt control. This is reflected by recent challenges to U.S. economic and political predominance by other industrialized countries. Another set of events, and more directly related to the heightened importance of relations with Mexico, was the abrupt interruption in the supply and the sharp increases in the price of oil imported from the Middle East. At this general level, Mexico's oil exports seemed to offer the United States an opportunity to resolve one of its most pressing foreign policy problems. Thus, one would expect Mexican-U.S. relations to be qualitatively more important to the United States now than they were even a decade ago, not only because Mexico has achieved the status of a major oil exporter, but also because some of the problems in the relationship are fundamentally different.

"Change" and "oil" seem to be continuing themes in contemporary U.S.-Mexican relations. Toward the end of the López Por-

tillo Administration, and as this book is going to press, Mexico entered a new financial crisis even deeper than that of 1976-77, a crisis whose most proximate cause was the sudden decline in Mexico's earnings from oil exports. Its immediate consequences—abrupt cuts in government spending, increased borrowing to service Mexico's massive foreign debt, successive devaluations of the peso, the imposition of strict exchange controls, the growth of inflation to levels previously experienced only in other Latin American countries, and the nationalization of the country's banks—are a dramatic testimony to Mexico's new dependence on petroleum exports, symptomatic of a widespread lack of confidence in its currency and, to a lesser degree, its political stability. While all of the chapters in this book were written before this turn of events, many of them express a sharp awareness that oil could not possibly solve all of Mexico's problems and that it could engender new ones. This anthology does not pose the question of what Mexico's most recent crisis means for its political economy nor for its relations with the United States. Careful reading of several chapters, however, provides some material for discussion on the question of whether this crisis is a passing phenomenon or a harbinger of future events. And this volume does identify the major components of change in those relations during the last few years, both in terms of how change occurred and how it was perceived.

In this introduction, we are concerned with two interrelated tasks. One is a general discussion of two major analytical issues that arise in the study of Mexican-U.S. relations. These issues frequently confront the analyst who seeks to describe, organize, and interpret the wide range of topics associated with U.S.-Mexican relations: (1) the distinction between intergovernmental and intersocietal relations, and (2) the emphasis of policy constraints or policy choices in interpreting the behavior of governmental actors. We draw upon the discussion in the chapters to address these problems.

A second task is to discuss the arguments made in the sixteen chapters of this book, the debates in which they engage, and the core set of issues which, according to these authors, constitutes the fundamental problems of Mexican-U.S. relations. In this part of the introduction, we discuss how the papers interpret the changes in U.S.-Mexican relations during the past decade, how many binational issues are interrelated, and how recent developments in this area suggest themes of "conflict" and "convergence." This repre-

sents an attempt on our part to show how the different chapters are tied together, to make comparisons and provide material for discussion.

TWO ANALYTICAL ISSUES

INTERSOCIETAL AND INTERGOVERNMENTAL RELATIONS

A perusal of the chapters in this volume may impress upon the reader that U.S.-Mexican relations are associated with a broad range of questions. This book is not unusual in this respect, even though it may give more emphasis to some topics than others. In recent years, students of world politics, as well as diplomats, have reemphasized the importance in international relations of the interaction of national political economies and the actions of nongovernmental actors. By the same token, students of domestic Latin American and Chicano issues have discovered that to obtain a more comprehensive view of their domestically focused concerns, it is helpful to examine the nexus between these and U.S.-Mexican relations.

As intersocietal relations have come to dominate the character and course of intergovernmental relations (and the U.S.-Mexican case is not unique in this respect), making the distinction between the two has become more important. *Intersocietal relations* refers to the relations between the economies and societies of the two countries; the term "nongovernmental relations" is also used in this sense. *Intergovernmental relations* refers to the relations between the executives of the two governments. These two categories are mutually exclusive, but not exhaustive. The terms "transgovernmental" and "transnational" relations are also employed by the contributors to include transnational links that are neither intersocietal nor intergovernmental. Examples of these are relations between the governments at lower levels, and between governmental and nongovernmental actors.

The primary—though not exclusive—concern of this anthology is intergovernmental relations and the formulation of national policy. Because intersocietal relations have a strong influence on relations among governments, we included several chapters explicitly concerned with relations between societies and their influence on national policymaking. Examples are the chapters by Castañeda, Reynolds, the economists at CIDE, and Gómez-Quinones. These authors discuss some of the domestic political realities of Mexico's

oil policies, the demographic and economic restraints on national economic and labor force policies in both countries, the principal problems and probable future of the Mexican economy, and the history of relations between persons of Mexican origin in the United States and Mexico.

POLICY CHOICES AND POLICY CONSTRAINTS

Discussions about *intergovernmental* relations often begin by recognizing that sometimes governments face significant short-term constraints upon their behavior and, by the same token, have some "policy space," or negotiating room, to make some concrete policy choices. Furthermore, policy constraints (and their complement, the range of viable choices) change over time and are the result of a number of factors. A partial list of these would include specific situations and events, domestic and international forces, the resource endowment of their respective countries, their ability to control transnational processes, domestic perceptions about what policy choices are "acceptable," and the relative power potential of the two governments. The discussion regarding choices and constraints, therefore, is not about whether they exist, but about their *nature* and the precise *range* of viable policy alternatives open to governments.

Much of the discussion in this book focuses on how these factors limit or create choices for the U.S. and the Mexican governments. In their discussions, some authors emphasize the *constraints* upon these governments with respect to specific issues. Examples are those by Ojeda, Rico, Cornelius, the Colegio Nacional de Economistas, and de la Garza. Others, for example, those by Castañeda, Zazueta, and Reynolds, are more concerned with demonstrating that in specific areas, the Mexican or U.S. government has a range of viable policy *choices*. Still other chapters, such as those by Ronfeldt and Screseres; Meyer; and Hufbauer, Smith, and Vukmanic, discuss both the constraints and policy choices available.

Because no analysis can be complete without both, we have included several chapters which survey the dimensions of U.S. and Mexican government "policy space" from different points of view and for different issues. Nevertheless, a discussion emphasizing "constraints" necessarily focuses on different variables and occasionally relies on a different theoretical perspective and normative assumptions than one which emphasizes "choices." The chapters

discussing policy constraints to support arguments regarding their nature and implications frequently rely on an extended discussion of existing political and economic realities not amenable to short-term government manipulation. Examples of what are considered to be "realities" vary—they include the dominant contours of domestic public opinion about the nation's destiny, its identity and primary symbols; nongovernmental actors' participation or interference with governmental action; the sensitivities of the two countries and governments to events and policies that originate in the other; and the difficulties of imposing a single and coherent foreign policy upon a set of interested actors in and outside governments. Because of the prominence of intersocietal processes in creating intergovernmental issues in the U.S.–Mexican relationship, a focus on "constraints" is likely to stress the links between domestic and foreign policymaking, and the problem of managing intergovernmental relations. An approach that focuses on policy constraints can also attribute certain immutable elements to the character of Mexican–U.S. relations and stress historical continuity rather than change.

In contrast, the chapters discussing policy choices rely upon a different sort of discussion, although they may also question the belief that a given set of realities imposes genuine constraints upon governmental behavior. Analyses that stress policy choices often rest upon the premise that policy outcomes are not the inevitable result of forces outside of government control. They focus on the *course* rather than the *character* of binational relations, and draw upon another set of concepts: resource complementarities and comparative advantages. Approaches that stress the possibility of choice in intergovernmental relations search for mutualities of interest and identify situations where optimal or positive-sum resolutions, and bargaining, are possible. When these are difficult to find, they stress the importance of dialogue and the need to generate new symbols for an old political discourse. Sometimes the achievement of harmonious intergovernmental relations is seen as a facilitating mechanism for such situations, and therefore as a means for accomplishing national objectives. Because such discussions by definition stress possibilities for change and choice, they necessarily focus on policy goals and normative issues. Such approaches can also attribute a certain malleability to the character of U.S.–Mexican relations. They merely emphasize chance events, the effect of changes in

government leaders, on administrations, bureaucratic styles and organization, and stress historical change rather than continuity.

It may be tempting to attach the labels "optimistic" to approaches that emphasize the availability of policy choices, and "pessimistic" to those that stress the existence and determining effects of policy constraints. After all, the first approach stresses what governments can do over what they cannot. Although the emphasis given to constraints or choices may reflect the author's philosophical approach, it is more likely that it indicates his research priorities. The papers in this book focus on a perceived range of viable policy choices and on the persistence of short-term constraints. Whether optimistic or not about the future of U.S.–Mexican relations, all of these chapters reflect attempts to engage the issues with imagination and realism.

TOPICAL ISSUES

The chapters in this book are divided into five interrelated but analytically distinct topics. They are: 1) the character of the U.S.–Mexican relationship and the nature of its problems (general frameworks); 2) energy issues, specifically the export of oil and natural gas from Mexico; 3) other trade-related matters and, in particular, their relationship to the performance of the Mexican economy and economic policies; 4) migration issues, specifically of undocumented Mexicans to the United States; 5) the participation of Chicanos in U.S.–Mexican intergovernmental and intersocietal relations. Each of these areas suggests a number of broad questions; the headings of each section reflect one of the major questions implicit in those chapters.

The literature on Mexican–U.S. relations frequently mentions another area which is also considered in this anthology, although it has not been assigned a separate section: local transborder issues. Such issues arise from the economic and social interpenetration of U.S. and Mexican border communities a systematic treatment of which is beyond the scope of this book. As the chapters in the first section suggest, local transborder issues are extraordinarily varied and complex; to do them justice would have required expanding this volume significantly beyond its present size.

The topical discussion here will follow this organizational scheme, but as will be noted, it is not possible to confine the discussion of

each issue exclusively to the papers chosen for inclusion in each section.

GENERAL FRAMEWORKS

The first four chapters treat U.S.–Mexican relations comprehensively. By discussing a variety of topics in a summary fashion, they serve as an introduction for the chapters in the remainder of the book, which treat specific topics at greater length. The first section, then, is concerned with a number of issue areas and with the development of general frameworks to explain, interpret, or manage intergovernmental relations. At one level or another, they seek to interpret the significance of the connection between intersocietal and intergovernmental relations. Wilkie argues that bilateral relations virtually can be reduced to intersocietal relations and the domestic politics of each country; Ronfeldt and Sereseres are more concerned with how the U.S. government manages them; and Ojeda and Rico explore the constraints that they imply for the Mexican government.

The papers by Ronfeldt and Sereseres, Ojeda, and Rico represent part of a debate on the nature of the restrictions and viable policy choices available to the U.S. and Mexican governments in the conduct of their bilateral relations. Ronfeldt and Sereseres characterize these relations by emphasizing the interdependence of the two countries; Rico and Ojeda, by contrast, stress Mexico's dependence. The discussion centers around these and other concepts, such as "sovereignty," "inequality," "asymmetry," "linkages," and "leverage." The debate, however, is not over semantics. The interpretation or characterization that can be ascribed to the relationship has implications for the management of bilateral relations, for likely Mexican responses to the articulation of U.S. interests, and for the Mexican internal debate regarding its foreign relations. There is implied agreement on three propositions: (1) That the asymmetries in power potential between Mexico and the United States are enormous; (2) that Mexico is not defenseless in its relations with the United States; and (3) that Mexican *perceptions* of overwhelming dependence have encouraged agreeable behavior on the part of the Mexican government.

The authors disagree, however, on the nature of the constraints on the U.S. and Mexican governments, i.e., the extent to which the

vast asymmetries between the two countries translate into effective power by the U.S. over the Mexican government. Ronfeldt and Sereseres stress the "myth of U.S. bargaining leverage" at the same time that they argue that "government-to-government relations are rarely conducted in terms of who has leverage over whom." Moreover, they criticize Mexican *perceptions* of dependency by arguing that such perspectives use the United States as a scapegoat for Mexican domestic problems, and that they hinder the achievement of mutually shared objectives. The recommendations Ronfeldt and Sereseres offer the Mexican government for improving its relations with the United States include changes in its negotiating style; that it learn to "work" the U.S. government more effectively, much as some "superclients," like Israel, presently do; and that it improve its capacities to negotiate with the United States. (Since their article was written, the Mexican government has made some organizational changes in its contacts with the U.S. government, although much of the description and interpretation of the authors on this point retains its original validity.)

Ojeda and Rico, using different approaches, seek to establish that the United States *does* have considerable leverage over Mexico—and that this imposes certain constraints upon Mexican autonomy and government behavior. Ojeda examines the profile of U.S.–Mexican trade, tourism, border transactions, and foreign investment and indebtedness to arrive at the conclusion that there is a "definite and unequivocal" dependence of Mexico on the United States.

Rico discusses the socioeconomic links between the two countries that can be found in the border region and the significance of Mexico's new-found oil wealth to make his argument. He also suggests that to link issues into "package deals," including the establishment of a "North American Common Market," would favor the United States, not Mexico, and that U.S. government *behavior*—up to 1981—suggested that it did not view Mexican oil as altering, in any fundamental sense, the relative bargaining positions of the two countries. Rico contradicts the notion, expressed in Ronfeldt and Sereseres's chapter, that "issue linkages could represent the keys to managing and improving future interdependence" when he argues that such linkages would generate domestic political conflict in both countries. He posits the North American Common Market idea as the extreme example of such linkages, and concludes: "It

would be tantamount to recognizing that the national goals of independence and sovereignty, central ideological tenets of the Mexican Revolution, are out of reach."

The first section, and the rest of the book, reflects some major themes in United States–Mexican relations. The debate over dependence and interdependence suggests two such themes. We have chosen to emphasize and juxtapose two others—conflict and convergence—because the paradox they suggest is at the center of U.S.–Mexican relations. Moreover, behind these themes is a question implicit in each of the papers in this book: Are Mexico and the United States moving toward community, or toward protectionism? This question constitutes the central point of discussion in the chapters by Ronfeldt and Sereseres, and Rico. It also arises explicitly, though not in these terms, in other essays, for example, those by Fagen, Hufbauer, Smith and Vukmanic; Bustamante and Cockcroft; Reynolds; Cornelius; and Gómez-Quíñones.

When we refer to the theme of convergence, we are essentially referring to the concept of community. As later chapters demonstrate, the links between the economies and societies of the two countries are becoming stronger and more complex, largely as a result of trade and capital flows, migration, and the entire gamut of interactions that we refer to as "intersocietal relations." Thus, one of the principal outcomes of the events of the past decade is that without a doubt, the futures of the two economies and societies are tied more closely together. To be more precise, Mexico's future is tied to that of the United States. At another level, "convergence" refers to the *perception*, in some quarters at least, that existing complementarities between the two economies and societies can form the basis for closer political and intergovernmental cooperation. As Rico notes, U.S. conceptualizations of linkage across issue areas have taken several forms, including that of a North American Common Market. Mexican conceptualizations of the same have taken the form of official proposals for package deals in which oil resources are assumed to improve Mexico's bargaining position in areas other than energy.

The theme of conflict refers to a broad interpretation of the concept of protectionism. When the public at large perceives conflict between the United States and Mexico, it usually has in mind the occasional tensions that occur in intergovernmental relations and that find their way into the news media. As various chapters in this

book demonstrate, however, this is only the more visible manifestation of conflict. At a more fundamental level, one can note the reemergence and spread of protectionist trends in both Mexican and U.S. politics, trends which reflect some resistance to those socioeconomic processes drawing the two countries together. Such resistance, in the Mexican case, is not new; the predominance of national autonomy as a theme in the Mexican political discourse is its most visible manifestation. Nationalist sensitivities to foreign dependence, long perceived in the United States as uniquely Latin American or Mexican characteristics, have also found their way into the U.S. political discourse, in part as a consequence of the progressive decline, in relative terms, of U.S. global influence. U.S. perceptions of vulnerability have extended to the U.S.–Mexican relationship, and are reflected in protectionist responses in such areas as immigration and trade. In part, the debate over dependence and interdependence as characterizations of the binational relationship reflects different positions on whether the closer intersocietal relations increasingly evident in the 1970s augur conflict or convergence in intergovernmental relations for the 1980s and 1990s.

Conflict and convergence, therefore, are not concepts that explain the nature and complexity of U.S.–Mexican relations. They are useful categories that permit us to organize much of what goes on between the two countries, both at the level of intergovernmental and intersocietal relations.

ENERGY ISSUES

The three chapters included in this section outline recent discussion about the political and economic implications of Mexico's export of petroleum and natural gas. As these authors attest, energy-related issues pose significant and subtle political problems for the two governments, as well as for other political actors.

The politics of energy presents a complex set of questions. In broad terms, these fall into three interrelated categories: (1) The significance of oil exports for Mexico's economic future, both in the short and long term; (2) the implications of oil for Mexico's vulnerability and bargaining position vis-à-vis the United States; and (3) the definition of U.S. interests in Mexico's oil. With respect to the first category, the most prominent question seems to be: What is the optimal level of oil exports? The arguments vary, depending on

whether the considerations are short or long term, with the former emphasizing the role of oil revenues in overcoming immediate financial constraints upon Mexico's economy. The latter stress a more prudent level of oil exports for three reasons: (a) oil is a non-renewable resource; (b) there are limits on the amount of oil revenues that Mexico's economy can absorb without falling into the syndrome characteristic of oil-exporting countries; and (c) by exporting more oil, particularly to the United States, Mexico increases its dependence on the U.S. economy. Thus, the issues in the first category mentioned above merge with those in the second and third.

The discussion about Mexico's vulnerability and bargaining position vis-à-vis the United States, and the definition of U.S. security interests in Mexico's oil presents some paradoxes. Depending upon what normative assumptions one makes, the same facts can lead to opposing interpretations. Some authors see oil exports as *exacerbating*, and others as *diminishing*, Mexico's vulnerability and dependence on the United States. As is evident from several authors who touch upon this subject (not only Meyer, Fagen, and Castañeda, but also Ronfeldt and Sereseres, Ojeda, and Rico), each interpretation arises from a different set of implicit definitions about what constitutes "vulnerability," "dependence," "bargaining power," and "U.S. security interests."

In general terms, it is agreed that the possession of oil resources and the infrastructure to extract and export them in massive quantities poses a different set of policy choices and constraints on the Mexican government. There is disagreement, however, on what constitutes a "constraint" and a "choice," with authors posing one set of empirical conditions as reflective of a constraint, and others posing the same set of realities in terms of the opportunities presented for choice.

The arguments that emphasize "choice" build upon the indisputable notion that, within certain limits, petroleum resources have increased Mexico's bargaining position vis-à-vis the U.S. government. Rico summarizes and criticizes some of the more extreme expressions of those arguments—those that have found their way into the political discourse. Among the chapters included in this volume, perhaps Castañeda's is the most vocal in arguing that oil gives the Mexican government more "policy space" in addressing both its domestic and foreign policy problems. In his postscript,

prepared in 1982, he sustains this argument for a situation when Mexico faces shrinking, rather than expanding, oil revenues.

The arguments that emphasize "constraints" build upon the notion that in *strategic* terms Mexico's oil discoveries have made its domestic affairs qualitatively more important in the eyes of the U.S. government. Meyer argues that an interruption in world oil supplies could pose one of the most significant dangers to Mexico's autonomy and sovereignty. Arguing by historical analogy he laments: "Should that occur, the decision regarding how much oil would be exported to the U.S. would no longer belong to Mexico." Rico pursues this line of reasoning in more abstract terms: "To what extent, then, is power synonymous with possessing something of interest to the globally stronger partner?"

Meyer's history of U.S. intervention in Mexico's internal affairs with respect to oil policy, up to and following the 1938 nationalization of the oil industry, serves an important analytical purpose. It provides the basis for an argument by analogy which, whether viewed as applicable to the present situation or not, partially explains Mexican skepticism toward U.S. pronouncements of good intentions in energy matters. This skepticism shapes the national political discourse on oil policy and Mexico's relations with the United States, and restricts the Mexican government's actions. Meyer also provides a historical context for examining the significance of arguments, such as Castañeda's, about the political feasibility of U.S. military intervention in Mexico.

The implicit debate between Meyer and Castañeda on the paradox of Mexican oil, its perils and opportunities, rests on unexamined assumptions about U.S. interests in Mexican oil. As Fagen's chapter demonstrates, these interests are not as easy to articulate or as easy to pursue as it might first appear. Even if this is true, not only U.S. but also *Mexican* perceptions of what those interests are will influence the binational dialogue and bargaining strategies in this and other areas of the relationship.

Fagen summarizes and critiques the U.S. debate about the national security implications of Mexican oil. He sketches the principal elements in the definition of U.S. stakes in Mexico's petroleum at three levels: (1) oil *supply*, i.e., the volume of Mexican exports to the world market; (2) *marketing* arrangements, i.e., implicit understandings regarding the security of supply; and (3) the *manage-*

ment of export revenues for the amelioration of domestic discontent to a degree sufficient to "keep the lid on the Mexican volcano." In so doing, he notes that U.S. objective interests in Mexican oil can be interpreted in different ways, depending upon which of these levels is emphasized.

Arguments that stress the perils of this strategic resource for the full exercise of Mexican sovereignty rely on interpretations of U.S. interests that focus on the first two sets of concerns. Arguments that rest on the "management of export revenues" build on the premise that "there is substantial congruence between U.S. and Mexican elites" to provide a rationale for U.S. support of a Mexican regime which "maintains stability" and does not threaten U.S. interests. In either instance, these arguments accept the view that Mexico's possession of this strategic resource has created a fundamental shift in the importance that U.S. policy makers attach to events in Mexico.

TRADE AND MEXICAN ECONOMIC POLICIES

Since World War II, Mexico's economic policies have emphasized the growth of a consumer and durable goods industry, based on the model of import substitution, and a capital-intensive agriculture largely oriented to the U.S. market. The aggregate results of these policies have been impressive. Since 1950, Mexico's economy has grown in real terms at almost twice the rate of the U.S. economy so that, in spite of an accelerating population growth, GNP per capita has more than doubled. It has been widely perceived in Mexico and the United States that this growth, though shared unequally among Mexico's people, has been a crucial ingredient in keeping political stability and institutional continuity. Wilkie's essay in the first section echoes this perception and stresses that at an aggregate level, living standards have risen throughout most of this century, and that the Mexican system is resilient to political pressures from below, notwithstanding its "cycle of crises."

This pattern of economic development, sometimes called the "Mexican miracle," is not without its critics. One set of criticisms, touched upon by Reynolds, Bustamante and Cockcroft, has to do with the unequal distribution of the benefits of this growth. Following on this theme, Fagen and Reynolds allude to possible social

unrest and political instability as consequences of internal inequities. Another criticism can be found in the CIDE essay. The authors note that the Mexican economic development model, *even at the level of aggregate growth*, found internal obstacles that made it impossible to achieve economic growth without massive infusions of finance capital from abroad. Regardless of the precise diagnosis or emphasis, it was evident by the mid-1970s that the Mexican economy had run into serious trouble.

It is in this general context that several events took place which have shaped the debate over Mexico's economic problems, policies, trade, and its relations with the United States. One set of events roughly coincided with the 1976-77 crisis. It includes the 1976 devaluation of the peso, an unprecedented rate of inflation, the flight of capital to the United States, the pattern of slow growth that characterized the U.S. economy—and the discovery of oil. The events of those years constitute a confluence of several factors, internal and external to the Mexican economy, and have evoked many interpretations. The essays by CIDE, Wilkie, Ronfeldt and Sereseres, Ojeda and Castañeda offer contrasting interpretations of what those events mean.

Another set of events relates to the new international and domestic political context in which Mexican economic policy was formulated. During the 1970s, the Mexican government became more involved in Third World politics, in pressing for a New International Economic Order (NIEO), and in the so-called North-South Dialogue. As noted in the essay by the Colegio Nacional de Economistas, Mexico and a number of other nations were seen at that time, according to the *graduation principle*, as *newly industrialized countries* (NICs), and were invited to join the General Agreement on Tariffs and Trade.

Moreover, the Mexican government adopted a new development model that shifted its emphasis from import substitution to export promotion. Significant elements in this model which impact on trade relations are: (1) an emphasis on the export of manufactured goods to the U.S. market; (2) the reduction of protective tariffs, import licenses, and quotas on consumer and intermediate goods in order to enhance the competitiveness of Mexican industry; and (3) a greater emphasis on the domestic production of capital goods. Central to this set of economic policies are the use of petroleum revenues to subsidize export-oriented activities, and the application of

local content requirements and export performance requirements on domestic producers to reduce imports and stimulate exports.

Finally, as noted in the essay by Hufbauer, Smith and Vukmanic, in 1979, the United States made some important changes in its trade legislation which directly affect Mexican efforts to penetrate the U.S. market. These include technical changes that reduce the administrative discretion of the executive branch in resolving trade disputes and give the U.S. private sector a greater role in the timing and control of such conflict. U.S. trade and economic policies, which have undergone some change in the past decade, are themselves a topic of discussion which is only touched upon in these chapters.

The manifold implications of these events can be summarized in four general propositions. First, the Mexican government is counting on improved access to the U.S. market for the growth of an export industry which is supposed to solve acute economic problems. Second, such access is threatened by the conflict between Mexican domestic economic policies and U.S. trade laws (and GATT norms). Third, this conflict is likely to manifest itself in the form of demands for protectionist responses by U.S. producers affected by Mexican competition. Fourth, the framework in which trade matters are handled in the United States is in a state of flux. At present, it will be more difficult for those levels of the U.S. government concerned about the performance of the Mexican economy to intervene in Mexico's behalf. The new political and economic realities of trade in the 1980s pose new problems which carry with them the seeds of conflict in intergovernmental relations.

These new realities pose a number of analytical and policy questions for U.S.-Mexican trade relations: To what extent is the achievement of Mexico's goal of long-term economic growth tied to the increase in export capacity for manufactured goods? This question is important to any discussion of U.S.-Mexican trade relations, even though Mexico's economic strategy is no longer at issue. Are the policy instruments chosen by the government the most appropriate, given the political and economic realities of both countries? Can U.S. interests in areas such as energy, security, and migration mitigate the priority given to domestic and multilateral perspectives and provide the setting for a bilateral trade arrangement? And finally, what are the most probable future trends in trade volume and composition? This short list of questions raises some formidable issues,

and a complex debate, part of which is represented in the section on trade, and in the chapters by Ronfeldt and Sereseres and Rico. The appendices to Reynolds's article topically belong in this section.

The chapters by CIDE, the Colegio Nacional de Economistas and Reynolds touch upon the first two questions. The team of economists at CIDE developed a macroeconomic model in 1978 to simulate trends of the 1970s without increasing the country's dependence on foreign finance. The chapter provides technical arguments for the adoption of an export-led industrialization strategy. It also challenges the notions that industrial trade deficits can be corrected by currency devaluations and that reducing import restrictions will promote the competitiveness and export capacity of domestic industry. With respect to the same questions, the chapter by the Colegio Nacional de Economistas defends Mexican development strategies and questions the wisdom of joining GATT at that time. Reynolds, however, argues that some of the causes of the economic malaise of the mid-1970s were policy-induced. Although some of the differences in perspective between CIDE, the Colegio, and Reynolds may be negotiable, the first two emphasize Mexican policy constraints while the last suggests that the Mexican government could have avoided some of the major problems the economy encountered during this period.

The chapters by Hufbauer, Smith, and Vukmanic; Ronfeldt and Sereseres; and Rico focus more specifically on U.S. policy constraints in trade relations. They arise from U.S. multilateral perspectives (see, e.g., the discussion by Ronfeldt and Sereseres on the demise of the U.S.-Mexico Trade Commission), the compartmentalization of issues, the emphasis on the trade principles and norms of the GATT, and the reduced discretion that U.S. agencies have in settling trade disputes. At the heart of this discussion is a political question: To what extent should the U.S. government allow the interests of a particular group to dictate the course of U.S.-Mexican relations? Regardless of the answer, the fact remains that the U.S. government is not free of constraints in exercising control over the resolution of trade disputes.

With respect to the final question, as demonstrated in the chapters by Hufbauer, Smith, and Vukmanic; and Reynolds (appendix 1), the precise course of future trade trends is uncertain for at least two reasons. First, the projection of such trends is based on empirical

assumptions concerning a number of variables subject to unforeseen variations, for instance, the performance of the Mexican and U.S. economies, currency exchange rates, the price of oil and other commodities. Second, projections made in the late 1970s were based on expectations of rising oil import revenues and a boom economy—a boom that soured in 1982. Thus, the long-term trends implied by these projections may be artificially high: Mexico may now import less than previously expected as a result of a devalued peso, limited foreign exchange, and exchange controls. Nevertheless, it is still likely that U.S.–Mexican trade will grow substantially in the years ahead, although its volume and composition will fluctuate according to world market conditions and the performance of the U.S. and Mexican economies.

MIGRANT WORKERS

In the United States, the issue of Mexican migration is dealt with largely in terms of its significance for domestic politics. When the issue is discussed in terms of its significance for international relations, the emphasis is on a different set of concerns. The main questions in the chapters included here seem to be: (1) What are the socioeconomic causes of this labor migration? More specifically, how are they related to Mexican and U.S. patterns of economic growth, of labor supply and demand? (2) What are the international consequences, in broad economic and political terms, of this migration? (3) What are the constraints and policy choices available to the two governments in this issue area? These questions are addressed, with varying degrees of emphasis, in the chapters in this section, and by Ronfeldt and Sereseres, Fagen, and Zazueta elsewhere.

Although the categories and theoretical frameworks implicit in the chapters by Reynolds and by Bustamante and Cockcroft are different, they allude to the same socioeconomic phenomena to explain why this labor migration occurs, and why it can be expected to accelerate in the future. With respect to the “Mexican” causes of migration, the two chapters assign a prominent role to the persistence of a surplus population of workers and to an economy which absorbs “insufficient quantities of labor” in the creation of migration pressures. From that point, the explanations diverge. Reynolds explains these migration pressures as a result of a slow growth in the Mexican economy, and a widening of the gap in per capita income

between Mexico and the United States during the 1970s. Bustamante and Cockcroft perceive this migration as a manifestation of U.S. capital domination and Mexico’s underdevelopment. Economic dependence on the U.S. is posited as the cause for Mexico’s subcapitalization and incapacity to generate enough employment, resulting in an “excessively large reserve army of labor.” Although Reynolds and Bustamante and Cockcroft disagree implicitly about the ultimate causes of Mexican labor migration, they are in general agreement about its most proximate causes. Migration is viewed as a response to an imbalance between local supply and demand for labor in both countries, and migration pressures in Mexico are perceived to be directly related to the growing mass of underemployed workers.

It is in their interpretation of the broad political and economic *consequences* of migration where these two chapters differ most sharply. To be sure, both chapters do reject commonly held U.S. perceptions that Mexican migrants constitute an economic burden upon the United States. Where Reynolds and Bustamante and Cockcroft disagree is on the political definition of Mexican migration and its bearing on the relations between the two political economies, and potentially, the two governments. Bustamante and Cockcroft propose that migration constitutes an unequal exchange; one in which the lion’s share of the benefits accrues to U.S. capital. The benefits for Mexico, if any, are not discussed. Rather, labor migration, which is seen as a transfer of human capital, is viewed as a Mexican *subsidy* of the U.S. economy. Moreover, U.S. capital benefits from the “superexploitation” of temporary workers, and by the expansion of the U.S. reserve army of labor. Thus, at various levels, Bustamante and Cockcroft argue that the U.S. stands to gain from continued Mexican migration.

Reynolds, by contrast, argues that both the United States *and* Mexico gain from this flow, and that they have much to gain in keeping and possibly expanding this flow in the years ahead. In short, both the United States and Mexico are becoming increasingly complementary in demographic terms. Further, no matter what the U.S. and Mexican governments do over the next few years, Mexico will have a large and growing underemployed population that could lead to social unrest and political instability. (This point is also discussed by Ronfeldt and Sereseres.) On the other hand, the U.S. faces a growing labor shortage, particularly for unskilled occupations, which, if unfilled, will significantly retard the growth of the national economy.

Thus, Reynolds suggests that the two countries are in a positive-sum situation, i.e., both stand to gain from the migration of workers in the next two decades, and recommends a major reassessment of U.S. economic goals to "maximize the mutual benefits from Mexico's economic and demographic growth," while implicitly endorsing a more open U.S. immigration policy.

"Once again," write Bustamante and Cockcroft, "ideological interests enter into contradiction with specific economic interests." This reflects a major theme that runs through the immigration policy debate and U.S.-Mexican relations. Reynolds, as well as Bustamante and Cockcroft, imply that if U.S. political and economic elites acted in their best long-term interests, they would find ways to prevent the adoption of policies which severely restrict the flow of migrant labor. However, according to Cornelius, the *likelihood* that U.S. policymakers will adopt a more open immigration policy is remote. In his chapter, Cornelius explores U.S. public perceptions characterized by anti-immigrant and specifically anti-Mexican biases. After reviewing the history of nativism, he links current anti-immigrant attitudes to the need for scapegoats in U.S. domestic politics, the backlash against the expansion of the social welfare economy, reverses suffered by the United States in its foreign policy, and perceived threats to U.S. security. He argues that such attitudes are likely to harden in the years ahead. The consequences of these perceptions are important constraints on U.S. policy choices with respect to immigration and suggest that the most probable outcome is a restrictionist and punitive policy response. U.S.-Mexican relations, in this scenario, will deteriorate "regardless of other interests which may be at stake in the bilateral relationship."

Absent from these analyses is a thorough discussion of the Mexican side of the equation. Why are Mexican political actors, and the government in particular, likely to respond negatively to U.S. restrictionist or punitive policies? What *are* Mexican interests in this issue area? Though not addressing this point specifically, Zazueta's paper includes a suggestive discussion about the origins of Mexican government policies, and their constraints, with respect to emigration. Bustamante and Cockcroft, in their argument against the Reagan immigration plan of 1981, suggest that the Mexican government should have the welfare of its citizens in the United States and harmonious relations with Chicano groups as priority concerns. Ronfeldt and Sereseres discuss the "safety valve" function of migration for the Mexican political economy. In short, the *costs* of U.S. punitive

policies, either in terms of introducing discord into the relationship or affecting specific outcomes in other issues, need to be investigated.

An effort to address at least one of the components of this question appears in Reynolds's chapter. His argument involves a complex set of factors that includes political stability, foreign (U.S.) investment, economic growth, Mexican labor absorption, and migration. Political stability is necessary to allow Mexico to elicit foreign investment for future growth. Rapid growth cannot be achieved without substantial inputs of capital and skilled labor from abroad, as well as access to export markets. The author notes that in the past, and most likely in the future, the United States will figure prominently in all these areas. Rapid growth, moreover, is necessary for the effective absorption of Mexico's surplus labor and insuring rising real wages. These, in turn, are necessary prerequisites both for reducing migration pressures and maintaining political stability. This argument links U.S. and Mexican economic and security interests with continued emigration.

However, as Cornelius and Fagen observe, the definition of U.S. "security interests" implied by arguments such as Reynolds's is not the only one under discussion. Indeed, there is a strong current of opinion in the United States which attributes all sorts of social ills to the presence of Mexican immigrants, and occasionally elevates uncontrolled immigration to the status of a national security threat. Advocates of such positions, as Cornelius notes, argue that Mexican immigration threatens the United States with cultural and linguistic separatism, with the spectre of a Quebec of the Southwest, and with an erosion of national political integrity. Whether such advocates, like former CIA director William Colby, actually believe these arguments is beside the point. What is important to note is that U.S. security interests cannot simply be equated with supporting Mexican regime stability. As Ronfeldt and Sereseres observe, if Mexican national interests require, as is so often assumed, the continued flow of emigration to the United States, U.S. policymakers face a dilemma of defining just how far U.S. security interests extend in this direction.

CHICANOS IN THE BINATIONAL RELATIONSHIP

Two new political realities of the 1970s are at the root of current discussions about the role of Chicanos in the binational relationship. One is that as a group, the Mexican-origin population has a greater capacity to influence political outcomes in the United States

than it did a decade ago. Some interpret this development to reflect a new influence in the resolution of issues in the bilateral agenda, particularly U.S. immigration policy. A second reality is that various Chicano leaders and organizations have interacted with political actors in Mexico, the Mexican government, and the Mexican news media. These developments, and the perception that the interests of Chicanos and some Mexican political actors intersect, have attracted attention.

A parenthetical note on the terms used to characterize the Mexican-origin population is needed here. In general, we will employ the same terms used by each author when discussing the arguments in a chapter. Both de la Garza and Zazueta use the term "Chicano" to refer generally to U.S.-born Mexicans (the difference in their definitions involves a legal distinction for dual nationals that need not concern us here). By the same token, both Zazueta and Gómez-Quiñones use the term "Mexican" in a general sense to refer to Mexico and to persons of Mexican origin in the United States, including immigrants and Chicanos. Regardless of the term used, however, when we talk about the role of Chicanos in the binational relationship, we are referring to the activities of organizations, individuals and other political actors who are involved in the advocacy of the "interests" of the Mexican community in the U.S. and which impact in some way upon Mexican-U.S. intergovernmental or intersocietal relations. In this broad sense then, neither the citizenship nor place of birth of the individuals involved matters, nor whether we choose to call them "Chicano," "Mexican," or "Mexican American."

Differences in terminology do reflect more than semantic preferences. The choice of terms employed in the articles by Gómez-Quiñones, de la Garza, and Zazueta implies different conceptions of what the "interests" of the Mexican-origin community are. In his history of transnational political interaction, which he terms "Pan-Mexican relations," Gómez-Quiñones presents the view that in the past, the politics of the Mexican American community in the United States has been closely tied to politics in Mexico. Since the nineteenth century, Mexicans in the U.S. have had an important stake in Mexican politics and, conversely, Mexican political actors (including the Mexican government) have sought support within the Mexican community in the United States. He concludes that Mexican Americans are likely to continue their involvement in the politics of both

countries, that such involvement is potentially reinforcing, and that it will eventually extend to the U.S.-Mexican intergovernmental relationship. Implied throughout his discussion is the assumption that a Chicano/Mexican dichotomy is relatively unimportant in political practice when viewed in historical terms.

De la Garza presents a narrower conception of what is meant by politics and the Mexican-origin community. Mexican immigrants are discussed as the *object* of political debate and activity, but are excluded from the discussion of Mexicans as political actors in the United States. Furthermore, he notes that for many and complex reasons, the Chicano population has ambivalent responses to the immigration issue. In his discussion about the growing relationship between Chicano political actors and the Mexican government, he argues that the consequences of this interaction may be mixed, particularly for Chicanos involved in "mainstream American politics." This interaction could, on the one hand, enhance the political future of Chicanos in dealing with U.S. political leaders and institutions; on the other, it could risk their political legitimacy because "the U.S. government may consider such a relationship as potentially threatening to national interests." De la Garza concludes that such future interaction could yield some tangible political rewards for Chicanos, but admonishes Chicano political actors to recognize that their political future lies not with Mexico, but with the United States.

Without addressing the question of where the political future of Chicanos lies, Zazueta suggests that the future relationship between the Mexican-origin community and the Mexican government lies in the context of Mexican domestic politics. He suggests that although the Mexican government could safely ignore Chicanos in the short term, it cannot afford to do so in the medium to long term, and that a mutually beneficial exchange should be encouraged to promote a dialogue. Like Gómez-Quiñones, Zazueta assumes that there is a sufficient community of interests between immigrants and Chicanos to warrant the use of a common political label—Mexicans.

Two chapters, those by de la Garza and Gómez-Quiñones, focus some of their discussion on the role of Chicano political actors in U.S.-Mexican intergovernmental relations. In these chapters, there is considerable disagreement over what that role is likely to mean, both for the Mexican and U.S. governments. De la Garza stresses

the obstacles in the path of a Chicano–Mexican alliance, which he discusses in the form of a Chicano lobby for Mexican interests in Washington. He concludes that Chicanos do not meet the technical requirements for establishing such a lobby and suggests that, given Mexico's discoveries of oil—and the implied leverage that flows from this resource—Mexico may not need a lobby, and therefore is not likely to promote it. Gómez-Quiñones argues that whether or not they constitute a lobby, Mexican Americans are as free as any other group to express their opinions and to try to influence U.S. foreign policy. He also argues that they *do* meet, at least partially, the requirements for a lobby, and furthermore, that “Mexico needs a countervailing lobby to the hostile ones.”

The discussion in these two chapters about Chicanos as a political pressure group capable of influencing U.S. policies toward Mexico arises from a number of assumptions, some shared, others not. They disagree on (1) the political potential of the Mexican-origin community (de la Garza suggests that it is unrealistic to expect Chicano political actors to significantly affect political outcomes, in the immediate future, on questions that are important to the Mexican government); (2) the degree to which the Mexican-origin population is concerned with issues that are directly related to the bilateral agenda (Gómez-Quiñones suggests that in the present, somewhat as in the past, Mexicans in the United States are concerned about politics in Mexico and U.S.–Mexican relations); and (3) the potential significance of a lobby as one among several levers the Mexican government might choose to develop in order to bargain more effectively with the U.S. government. On the other hand, the authors agree that the cultural identification of Chicanos with Mexico does not automatically translate into support for Mexican government policies, and that the interests of various Chicano political actors may diverge significantly from those of the Mexican government, even in the area of immigration, where they presumably have much in common.

The chapters by de la Garza and Zazueta stress the constraints upon the involvement of the Mexican government in issues which are perceived to be the internal affairs of the United States—even though some Chicano actors may see such involvement as potentially beneficial to Chicano political advancement. For de la Garza, this limits the possibilities for exchange, and puts an obstacle in the path of the development of a Chicano lobby. What, after all, can the Mexican government offer Chicanos? Zazueta suggests that the

record of nonintervention in U.S. affairs is not so clear-cut, and that together with a new, more “active” foreign policy, the possibilities of Mexican “interventionist” behavior are greater than they have been in the past, *if* important domestic or foreign policy concerns are at stake. The author examines some activities of the Mexican government in behalf of the Mexican community in the U.S. during the 1920s and suggests that while nonintervention is likely to impose some constraints, that does not mean that the Mexican government need be impotent in defending its interests in the United States. Both authors accept the realist premise that the Mexican government—like any other political actor—is not likely to act in behalf of Chicano interests for altruistic reasons, and that any relationship that develops will have to rest upon mutual interests. But the authors disagree in their conclusions about the possibilities that such common interests exist. De la Garza cites some examples of Mexican government rejection of Chicano overtures as an indication of obstacles; Zazueta argues that major segments of the population in Mexico have been concerned with the defense of Mexicans in the U.S., even if they have responded ambivalently to petitions for repatriation and assistance.

Another topic discussed in these papers, and which is important to the analysis of the role of Chicanos in the binational relationship, is the involvement of the Mexican-origin population in U.S.–Mexican *intersocietal relations*. As Gómez-Quiñones and Zazueta show, for many decades, Mexicans in the United States have maintained complex and enduring links with Mexico—familial, social, cultural, political, and economic. De la Garza also mentions these bonds, though he emphasizes the negative perceptions that Mexicans and Chicanos have about each other, and notes that cultural affinity with Mexico cannot be equated with support for Mexican government policies. Neither Zazueta nor Gómez-Quiñones challenge these arguments. Where they differ with de la Garza is in their emphasis and interpretation of the same realities. Gómez-Quiñones, for example, argues that these negative perceptions are a generalized expression of the conflict among groups within Mexico, although he does not squarely address the issue of Mexican immigrants vs. Mexican Americans. Zazueta links the historical ambivalence of various sectors of Mexican society to Chicanos with their ambivalence toward emigrants and Anglicized “pochos” of northern Mexico. Moreover, both Gómez-Quiñones and Zazueta attribute a positive significance to the Mexican American pursuit of continued links with Mexican

society and political groups. De la Garza, however, stresses the risks of closer ties between Chicanos and the Mexican government.

De la Garza does not elaborate on what these risks may mean, but mentions that "by openly seeking Mexico's support or lobbying for pro-Mexican policies, Chicanos might raise the specter of disloyalty," and argues that a Chicano lobby might require an alliance *with Mexico against* the United States. These points are not addressed explicitly in the other two chapters of this section, but they merit discussion.

A reading of the chapters in this book will show that it is not unusual for nongovernmental actors to get involved in U.S.-Mexican intergovernmental relations; indeed, as the chapters by Ronfeldt and Sereseres, Rico, Meyer, and Cornelius demonstrate, such involvement is the rule rather than the exception. When, in 1978, several U.S. oil corporations and the Mexican government found themselves in alliance in opposition to the Carter Energy Plan, as Meyer describes, these U.S. political actors were not inhibited by the belief that they were disloyal to the United States. This illustrates the point that the argument alluded to by de la Garza, though not stated explicitly, rests upon a normative assumption: Unlike other political actors, Chicanos do not have the legitimate right to express individual and group interests should these coincide with the position of a foreign government and oppose that of the current U.S. administration.

De la Garza implies that the political realities with which Chicanos must live do not necessarily coincide with the normative assumptions they may accept. In this sense, one possible interpretation of the argument evoking the spectre of disloyalty is that *as a group*, Chicanos are particularly vulnerable in the context of U.S. domestic politics to attacks upon their loyalty and Americanism. This argument recognizes that as political actors, Chicanos need to be cognizant of a unique set of constraints upon their behavior.

In this respect, it appears that the reference made by Ronfeldt and Sereseres to the border region as "the melting pot and the boiling pot of U.S.-Mexican relations" is given a new twist. In the years ahead, intersocietal relations between Mexico and the United States will intensify, and Chicanos will necessarily be drawn into this process. Whether this is or is not accompanied by intergovernmental conflict and heightened national sensitivities to events in the other country, Chicanos are likely to impact upon, and be affected by, U.S.-Mexican relations.