

## MEXICO'S FOREIGN POLICY UNDER SALINAS: THE SEARCH FOR FRIENDS IN THE FIRST WORLD\*

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### I. INTRODUCTION

After years in the wings, Mexico is poised for the spotlight. The club of rich nations hails it as the perfect student of economics. What better candidate for stardom than this country of 85 million people, which went bust so publicly just over ten years ago and which has since embarked on dramatic and successful economic reforms? Mr. Salinas has a claim to be hailed as one the great men of the 20th century (The Economist 1993).

The above statement represents the view of mainstream foreign opinion on Mexico: a singular case, a developing country that had reverted old policies, become a stellar student of the economic orthodoxy of the times, and had started the journey towards joining the ranks of First World nations. All the accolades were bestowed upon one man: Carlos Salinas de Gortari, a young technocrat of 41 years of age with a doctorate from Harvard and having already served as a Minister under the previous administration had, against all expectations, been chosen by outgoing President Miguel De La Madrid as his successor to occupy the highest office in Mexico

What foreign policy did this statesman implement that would precipitate such adoring reviews abroad? In short, one that served his particular economic revolution. Domestic economic policy became inextricably linked to foreign (economic) policy, and indeed the border between the two became blurred. Under Salinas, diplomacy was to take a decidedly economic hue, and whether one judges his policies as clever or as misguided, the change in Mexican foreign policy orientation he introduced has been institutionalized. It will be difficult, if not inconceivable, for future Mexican presidents to turn the clock back and return to the old policy framework. That is why to understand the Mexico

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of today and that of tomorrow necessitates a previous knowledge of Carlos Salinas' term in office.

If there was to be a ubiquitous theme on the lips of Mexican policymakers at this time it was that of *modernización*, the need for Mexico to modernize. What was meant by it? This is how Carlos Salinas himself would define it in his inaugural speech, where he would use the term *modernización* or some form of the verb *modernizar*, a staggering 30 times (Rusell 1994):

Economic modernization means a public sector that is more efficient in attending its legal and popular obligations; it means counting with a productive apparatus that is more competitive *vis-à-vis* other nations; it means a clear system of economic rules that will foster productive creativity and imaginative entrepreneurship among more and more Mexicans... To modernize Mexico is to face straight on the new economic and social realities of the world (Salinas 1994).

In practice, this translated into privatization, deregulation and economic opening to the outside world.

The Carlos Salinas administration saw a complete change of cabinet staff. The new president recruited a team of internationally oriented young economists who had studied in the United States and who espoused a new worldview, a new conception of Mexico, and certainly a new view of its foreign relations. While the shift in the balance of power from those with political experience (the *priista* dinosaurs) to those with technical abilities (the *tecnicos* or technocrats) began in 1982 with Miguel de la Madrid, 1988 was to mark a veritable turning point. The Mexican governing cabinet became more monolithic than it had ever been before, a cabinet that was praised as "probably the most economically literate group that has ever governed any country anywhere."

Modernization of Mexico would amount to a total repudiation of the economic policies adopted in the past. Mexico's former inward-looking orientation had resulted in mounting industrial inefficiency and an excessive dependence on external borrowing<sup>1</sup>. The mistakes of the past were to be avoided (Centeno 1994). A new rapport would be established with the world economy in which Mexico would seek to accommodate itself to the new, evolving rules of the game. In his second year in office, Salinas would stress the need for Mexico to "acknowledge the new rules of global competitiveness, to accelerate internally economic changes, and to increase our participation in global markets". To those concerned with preserving political autonomy, he would warn that "sovereignty founded upon stagnation and marginalization is not firm...". Finally, this new strategy had an ambitious destination as he famously declared: "we want Mexico to be part of the First World, not the Third" (Salinas 1990). This

presidential rhetoric was unprecedented in the country's history. Mexico's foreign relations throughout the twentieth century have had the preservation of national sovereignty as its *raison d'être*. However, Mexicans were told that in the new international order the proper way to defend and expand it differed radically from traditional diplomatic activity<sup>2</sup>. As Salinas would repeat in his official speeches and writings, increased sovereignty went hand in hand with increased economic clout, which necessitated increased economic and political links with the world's powerful nations.

Other than *modernización*, perhaps the single most used term in foreign policy speeches made by government officials was *diversificación*. Early in his presidency, Salinas often emphasized the fact that more than two-thirds of Mexican trade was with the northern neighbor (Arriaga 1994). This concentration, his argument followed, rendered the country in a vulnerable position to decisions taken in the United States, where political actions are often the unpredictable outcome of vectors pushing in different directions. Mexico could not count on the assurances of a unitary US government. The US Constitution, because of its provision of separation of powers, assures that US policy towards Mexico cannot be confidently predicted. Furthermore, Mexican officials were well aware that particularistic interests (lobby groups) going to exert more decisive influence in Washington and atomizing US foreign affairs, thereby introducing further uncertainty. In sum, the United States was an institutionally unpredictable partner and thus Mexico could not place its fortunes solely on it. The answer was to diversify Mexico's political and (especially) economic links in order to have greater freedom of action and reduce vulnerability to events north of the border. The 'stylized facts' of Salinas' presidency clearly indicate frenetic activity in foreign policy matters: during his *sexenio*, Salinas had 392 meetings with Heads of States and Presidents, made 66 visits to foreign countries, received 53 official foreign delegations, and signed 306 treaties, and 227 inter-institutional accords (Salinas 2000).

However one judges the Salinas' term in office, it is clear that the economic and political orientation his administration gave Mexico have become institutionalized. With the benefit of hindsight, one can safely say that future historians will trace the transformation in the orientation and essence of Mexican external relations to the 1988-1994 *sexenio*. The changes in foreign policy brought about by the *Salinato* are well illustrated by the adjectives found in the literature on 1990s Mexican foreign policy. It is described as: 'post-revolutionary' 'internationalist', 'economistic', 'pro-

American', 'interdependent', 'driven by interests', 'pragmatic', 'realist', 'tied to internal affairs', 'full of initiative', 'modern', 'open', 'driven by results', 'right-wing', 'active', *etc...* (Elizondo 1994). These adjectives continue to define Mexico's external relations stance into the new century. Therefore, making sense of current Mexican foreign policy requires an understanding of the Salinas era.

## II. THE INHERITED POLITICAL AND ECONOMIC SCENE

It is difficult to come to terms with Mexico's foreign policy during Salinas' *sexenio* without understanding Mexico's economic and political predicament by 1988. The excess borrowing of the late 1970s coupled with unexpected adverse changes in the international economic environment (high US interest rates and a recession in the world economy) ensured that the 1980s were a "lost decade" for Mexico. The announcement in 1982 from Mexico City that the nation could not materially fulfill its debt servicing obligations shook the international financial world and marked the onset of the debt crisis. President Miguel de la Madrid's economic advisors displayed textbook orthodoxy in following unquestioningly the script set by the International Monetary Fund and Western commercial banks: fulfill your financial obligations come rain or shine. And rain it did when the price of international oil took a dive in 1986 and when the Wall Street market crashed in 1987. Mexico proved unable to pay even the annual service on the debt, then totaling USD 85 billion, let alone the principal (Centeno 1994). When de la Madrid handed over the presidential baton, the country's debt amounted to USD 100 billion, around 58.1 percent of GDP, while service payments to creditor banks that year were no less than 8.8 percent of GDP, or around 44 percent of Mexican exports. The crippling burden of debt was acting as a paralyzing force on economic growth. The Mexican average living standards were not simply stagnating, but actually declining. Let it suffice to say that from 1980 to 1988 the Mexican economy experienced no growth, while its population had grown by 10 percent.

In addition, the July 6 1988 elections that put Carlos Salinas in power represented a virtual political defeat for the PRI after a long process of decline. A mysterious computer crash delayed the election results for a day, in what many interpreted as a manipulation of the voting by the regime. Predictably enough, Salinas assumed the presidency amid widespread charges of electoral fraud, engendering a veritable political crisis on top of the economic one. A poll conducted a few weeks after the presidential election revealed that a whooping 73 percent of Mexicans

suspected it had been ‘stolen’ by the ruling PRI (*Los Angeles Times* 1989). Further, the PRD opposition candidate Cuauhtemoc Cardenas, for many the moral winner, never publicly conceded defeat (although he decided not to seize the opportunity to encourage a national uprising). The legitimacy of the new president was seriously in question. As a result of these politico-economic adversities some analysts predicted that Mexico would prove “ungovernable” for the incoming cabinet.

The new president had a particular long-standing vision of Mexico’s economic future and so did the technocrats he recruited to form his cabinet: to establish an open, free-market, and private sector-driven economy. However, the question was how to introduce the sweeping reforms he and his dream team had in mind, at the very time the PRI was suffering from a popular legitimacy crisis? Jorge Castaneda described Salinas’ alternatives as follows: the first option was to

Discard the entire [traditional political system] scheme by taking unilateral action on the debt and establishing a new system of political alliances with the emerging, modernized Left led by Cuauhtemoc Cardenas.... This scenario included the hope that the United States would go along because it had no choice, and that eventually the private sector would respond. The other option was to dash headlong into an intensified restructuring program after ensuring the environment in which it took place [i.e. debt reduction] was conducive to its success in the short term (Castaneda 1993:409).

The first option was effectively closed, as it is doubtful that the Left would have accepted such a deal, not the least because this would have lent legitimacy to the 1988 elections. Further, it is unlikely that the PRI’s main constituents would have gone along with it.

And so Salinas proceeded to unabashedly pursue the second path: top-down, autocratic economic modernization. In the government’s official strategic paper, *Plan Nacional de Desarrollo*, the goals of the upcoming *sexenio* were summed up thus: the attainment of a rate of economic growth of about 6 percent; consolidation of stabilization, that is, the reduction of inflation to the levels of Mexico’s main trading partners; and the diminution of the transfer of national resources from the current 7 percent to less than 2 percent – i.e. the reduction of Mexico’s external debt (Secretaria de Programacion 1989:139).

### III. CLOSER RELATIONS WITH THE NORTHERN COLOSSUS

There is a good case to make that the second most significant (although much less advertised) accomplishment of the Salinas foreign policy team was the renegotiating of Mexico’s foreign debt in 1989. Salinas had adopted a clear position on the issue during his campaign, one

that parted waters with the previous administration: "If we do not grow because of the debt, we will not pay", he indicated (Salinas 1988:110). Once in the presidency, Salinas put his stellar finance minister Pedro Aspe (and an accompanying brilliant economic team) to the task by sending him to Washington for talks with the US Treasury and the International Monetary Fund. Aspe made clear that the government's intent was to reduce payments on its debt by 60 percent over the next three years. Renegotiating the debt was absolutely essential to Salinas' vision of modernization. The aim was to build confidence in the Mexican economy for those still wary about putting their resources there, including domestic investors, foreign investors and creditor banks.

To Mexico's fortune, international thinking about the debt issue was changing. The facts on the ground were showing that the enormous accumulated debts of some Latin American nations were acting as a real obstacle to sustained growth, which in turn reduced the capacity of these countries to pay back. Officials at the US Treasury and many international bankers were convinced of the need to introduce a new approach to debtor-creditor relations. It was James Baker's successor as Secretary of the US Treasury, Nicholas Brady, who would give precise content to these ideas. The Brady Plan proposed the reduction of part of the debt and the creation of a list of options to debtor countries (reduction of service payments, reduction of the principal or new lending) as a way forward. The strategy relied on the intellectual and financial backing of the IMF and the World Bank. These proposals gave Mexico the opportunity to restructure its own debt and become the "test case" of the newly formulated Brady Plan.

Finance minister Pedro Aspe, a *tecnico* with profound understanding of the international financial institutions, left for Washington with a single-minded purpose to return with a reduced financial burden for his country, but was mindful that a reasonable deal was better than no deal at all. To kick-start the Mexican economy, the psychological boost and increased market confidence in the economy that could be provided by debt relief was fundamental. His team first got the "seal of approval" of the IMF, and then negotiated with the World Bank, the Inter-American Development Bank and the Paris Club of sovereign debtors. The debt relief agreement signed in February 1990 promised to decrease net resource transfers by USD 4 billion per year on average, between 1990 and 1994. Total external debt as a percentage of its gross domestic product was reduced from 59 percent in 1988 to 36 percent in 1991 (Castaneda 1993b:103). Some observers regarded the agreements reached by Aspe's team inadequate to rekindle growth. While a better deal could have probably been negotiated,

"time is of essence" in debt negotiations, as Aspe himself would remind critics: "a timely and reasonable agreement was much better than an excellent but late agreement". Subsequent facts would vindicate Aspe and prove critics wrong. Confidence in the economy rapidly returned and Mexico experienced a fast economic take-off. In the short-term, the agreement improved Mexico's sovereign credit rating, which gave it access to international capital markets. In the medium-term, the goal to bring in foreign capital was largely successful: between 1990 and 1992 total foreign investment in Mexico quadrupled from USD 4.6 billion to nearly USD 19 billion (Centeno 1994:35).

Once the debt chapter was closed, Mexico was poised to pursue its long-term economic foreign policy goals. 1988 was to witness the oath of office of new presidents in both Mexico and the United States. Relations between Miguel de la Madrid and Ronald Reagan had been rocky<sup>3</sup>. In light of the US-Mexico history of relations, it was a surprise to most observers that the United States did not criticize the 1988 Presidential election, one where fraud was evident to everyone, and further, an election not accepted by the opposition parties (Chabat 1991:155). That Washington was downplaying the defense of democratic principles spoke to the strategic importance it attached to relations with its southern neighbor<sup>4</sup>. The US did not want to see a Mexico led by leftist Cuauhtemoc Cardenas. The American foreign policy establishment's belief system posited that if economic restructuring were consolidated in Mexico, the country would permanently become one of America's closest diplomatic allies.

Relations between the two nations benefited by the personalities at the helm of power: Bush was a pragmatic politician without many ideological straightjackets and as a Texan, one familiar with Mexico. Salinas, on his part, was an US-educated technocrat (not a PRI *politico*) who saw external relations through an economic lens. Pragmatism and firsthand understanding of each other's countries bonded them. They soon established a good personal chemistry. In the four years they coincided in office they met eight times, more than any other two Mexican-US heads of state had ever met (Rusell 1994:131).

One of the changes in Mexican-US relations during the Salinas *sexenio* was the advent of "compartmentalization" in foreign policy. This meant that disagreement in one policy area, say control of drug trafficking, was not allowed to have any spillovers into other areas of the relationship. The aim was to avoid the mechanics of a downward spiral in bilateral relations that had been frequent in the past, where a disagreement in one issue tended to pollute other areas. Care was taken not to mistake the trees

for the forest this time.

For all the rhetoric about the need for *diversificación*, Salinas ended up putting most of his foreign policy 'eggs' into one (US) basket: the North American Free Trade Agreement (NAFTA) with the United States and Canada. In fact, this was by far the most salient political bet of his presidency<sup>5</sup>. The impressive power of the Mexican presidency allowed its incumbent to steer the country along whichever economic lines he desired (Purcell 1993). But, if this agreement was truly the brainchild of one man, what was the rationale underpinning the idea? In an interview in July 1990, Salinas gave two reasons for seeking NAFTA. First, once the economy had been opened to reduce inflation and Mexico no longer protected its market, to secure access to the US market. Second, the FTA would be in line with a world that was moving toward regional trading agreements, as seen in the changes that took place in Europe and Asia (Pastor 1990). Official rhetoric aside, there were other reasons of a political nature that Salinas may not have been quite eager to disclose. A main purpose was to seek American and international approval for a regime whose not-quite-democratic credentials, in the context of a region undergoing a "democratic revolution", now stood out more than ever. Secondly, NAFTA could provide Mexico with diplomatic leverage *vis-à-vis* the rest of Latin America. In short, by linking itself to the world's superpower, the country's diplomatic and political prestige would be enhanced. To Salinas' fortune, his homologue George Bush reached a similar conclusion as to the desirability of a trade deal.

As soon as Mexico's president officially announced his intention to seek a free trade agreement with the United States, intense debate was sparked on both countries, rising to high pitch as the deadline loomed nearer for the US Congress to grant "fast-track" treatment to the NAFTA negotiation process<sup>6</sup>. The debate was cast principally on its economic effects, with supporters and opponents of all stripes and walks of life aggressively peddling their arguments to anyone who would listen. Unfortunately, the dialectical struggle, especially in the US, was dominated by particularistic interests and lobby groups (labor unions on one side, and big business on the other) whose objectivity was dubious. The truth of the matter, as economist Paul Krugman pointed out at the time, is that both business and labor were distorting the real aim of signing the agreement by painting it in economic hues. For the United States, the intention was more political than economic. It is worth quoting Krugman at some length:



"There has been an extensive debate over the prospective job impacts of NAFTA. Some opponents claim that the inflow of imports from, and the outflow of capital to, Mexico will eliminate hundreds of thousands of American jobs. Many supporters, on the other hand, claim that a booming post-NAFTA Mexico will provide a market for sharply increased US exports, adding hundreds of thousands of jobs. The truth of this debate cannot be understood in terms of the real content or likely consequences of the agreements, nor is the debate's outcome likely to turn on any serious examination of the evidence.... For the United States, this agreement is not about jobs. It is not even about economic efficiency and growth. It is about doing what we can to help a friendly government succeed" (Krugman 1996:145-155).

Whereas it was in the interests of many to radicalize the debate, "jobs and economics" were much less important for the White House than "politics and stability". If Mexico did not make headway in modernizing its economy and democratizing its politics, the US – sharing a common border of over 2000 kilometers – could not hope to escape the consequences. That is why NAFTA can be better understood conceptually as a geopolitical move straight out of the Central Intelligence Agency than as a brainchild of the US Department of Commerce. Quite simply, the enormous size of the American economy *vis-à-vis* the Mexican one (barely 4 percent of the US economy), meant that the closer integration of their economies would be felt significantly in Mexico but not much at all in the United States. The eminently political nature of the agreement for the United States has been acknowledged by former US Secretary of State James Baker III in his memoirs:

"From the beginning of the Bush administration, improving our ties with Mexico was part of a broader regional strategy. This included progress toward a peaceful resolution of the conflict in Central America, progress on Latin debt issues, and reform of the Latin American economies themselves... NAFTA would be the cornerstone of a new relationship with Mexico and enhance close ties on a whole set of issues" (Baker 1995:606-607).

However, other less altruistic (secondary) motives lay below the surface. First, the US wanted to assure for itself more Mexican oil (its third most important supplier). Indeed, during NAFTA negotiations, Washington aggressively sought to guarantee steady oil supplies and also to obtain oil exploration rights for US firms. Secondly, the agreement would virtually assure increased Mexican support for US diplomatic goals in the hemisphere and in the world. Indeed, since the announcement of the NAFTA project, a more subdued and accommodating Mexican stance *vis-à-vis* American foreign policy was palpable. To secure the passage of the treaty in Washington, Salinas' team embarked on a massive marketing campaign that sold the glories of NAFTA<sup>7</sup>.

The political effect of NAFTA on Mexico City was perhaps inevitable. Instead of attaining an enhanced freedom of movement *vis-à-vis* the US, the administration achieved the opposite as NAFTA increased whatever influence the United States already had in the internal affairs of Mexico. A dramatic proof of this assertion is found in the effective pressure that Secretary Christopher exerted upon Mexico during accession talks to accept the presence of international observers in the August 1994 Mexican presidential elections. Mexican *priistas* delivered. Foreign observers were invited for the first time in Mexico's history, and a clean and free (but not fair) election put Zedillo into power. More strikingly, the American officials endorsed the election as if it had been flawless. Much like Mexico, in the newfound bilateral relationship the United States would severely de-emphasize principles for the sake of more specific interests.

Leaving aside considerations about its relative benefits and costs, NAFTA certainly locked in Salinas' neoliberal, open economy agenda. It was "the seal that guaranteed that economic and state reforms were locked into a framework where fiscal, monetary and trade policy could not any longer be controlled exclusively by Mexico" (Portillo 1995:207). Mexico had now somewhat less room for maneuver in economic policy. Yet, an important question needs to be addressed: did enhanced economic links with the northern neighbor increase Mexico's vulnerability, as common wisdom would have it? As has been pointed out *ad nauseam*, one of the defining features of globalization is the clash between the increasing interdependence of the international economy and the desire of states to maintain their economic and political autonomy. The Mexican case is a stark and prominent example of such a clash. Nowhere in the world do we find a developing country so protective of its political autonomy which so intimately linked to a First World economy. Perhaps, Mexico's enhanced economic vulnerability is difficult to gainsay. But what most critics of NAFTA have in mind is political vulnerability. To be sure, international economic relations always have profound implications for the political autonomy of national societies. And while economic interdependence creates mutual dependence, this dependence is frequently not symmetrical, as political economist Albert Hirschman (1969) pointed out three decades ago. There is a sharp asymmetry between the size of the Mexican and the American markets and thus what they represent for each other's economies. However, as Robert Keohane and Joseph Nye (1977) conclude in *Power and Interdependence*, their classic analysis on the political aspects of economic interdependence, in a co-dependent relationship vulnerability is a function of the specific issues that link the two countries

– not necessarily a function of the concentration of ties. While Mexico needs a healthy American economy for its external sector to contribute to growth, the United States is dependent on a stable and prosperous Mexico to stem the flow of migration and to combat drug trafficking, two issues that affect American national security. Indeed, in an interdependent relationship, one of the ways to reduce vulnerability is to generate them in the other country (so-called counter-vulnerabilities). Keohane and Nye have made the useful distinction between "sensitivity" interdependence and "vulnerability" interdependence. Most economists refer to the first category when they speak of vulnerability, referring to responsiveness among economic variables. With 80 percent of Mexican exports directed to a single economy, Mexico is now more vulnerable than before to any factor that may affect overall economic growth in the United States. (A similar logic applies to the important presence of American FDI and portfolio investment south of the Rio Grande). Thus, it is undeniable that NAFTA has increased Mexico's sensitivity interdependence. The second category, on the other hand, has to do with the possibilities of political exploitation of market interdependence. Here, the US faces important limitations on the extent to which it can use the asymmetric economic interdependence in US-Mexican relations for political gains, for there are a myriad of important non-economic issue areas in which the US is dependent upon Mexico and its cooperation (particularly immigration and drugs). Therefore, there are grounds to argue that Mexico's "vulnerability interdependence", to use the academic jargon, has not increased as a result of NAFTA; rather, it has probably decreased. The United States has a greater stake than ever in a stable and developing Mexico. It is more vulnerable to events in Mexico than before.

Emphasis on the economy did not mean that perennial bilateral issues disappeared from the agenda. Drugs and immigration, among others, were still straining the relationship. Yet, they were kept at bay. In fact, there was a deliberate effort to de-link the various themes in this multifaceted and highly complex relationship. This process of compartmentalization was explained by Mexican foreign policy chief Fernando Solana: "at the start of our first official meeting I proposed to [US Secretary] Baker a new working strategy: to consciously and resolutely separate the different areas of our bilateral agenda, so that those problems or differences present in some of them would not contaminate the entire relationship" (Solana 1992:23). The Bush administration also desperately wanted the maintenance of a good working relationship with Mexico to override problems in particular issue areas. For instance, as long

as NAFTA was a work in progress and not yet a ratified treaty, there was increased pressure from the executive on the members of the US Congress to duly certify Mexico in its anti-drug efforts, regardless of actual developments (Bauer 1995). Salinas' administration, on its part, toned down the discrepancies. It is undeniable that on various occasions Mexico was publicly critical of US actions, as exemplified by the disagreements over policy toward Cuba, or over the way to deal with the bilateral drug problem, among others. However, Mexico was not ready to endanger its economic diplomacy through traditional discrepancies over matters of "high politics." More often than not, its rhetoric did not match its actions. For instance, Mexicans decried the extraterritoriality elements contained in the Torricelli Bill that governed US-Cuba relations, but did little more than express disapproval. A second particularly noted example occurred in the response to the 1990 allegedly fraudulent Panamanian elections<sup>8</sup>.

#### IV. ELUSIVE DIVERSIFICATION: RELATIONS WITH LATIN AMERICA, EUROPE, ASIA AND THE INTERNATIONAL ORGANIZATIONS

In *Mexico: un Paso Difícil a la Modernidad*, a recent voluminous account of his own presidency, Carlos Salinas offers the following rationale for seeking diversification:

"In order to diminish the risks associated with NAFTA, we had to put into place an international strategy that would diversify our foreign relations. That is why I decided to undertake intensive diplomatic and trade initiatives. First, towards Latin America, Spain, and Portugal. Then, with the European community; and finally, with the Pacific rim. By so doing, we ensured that our opportunities would span all latitudes. The purpose was to count with new diplomatic and political counterweights, given our intensified relationship with the powerful northern neighbor" (Salinas 2000:234).

Official rhetoric maintained that Latin America was to be Mexico's first option in order to avoid an excessive concentration of its foreign relations in United States. Whereas Mexico's volume of commercial interaction with its neighbors to the south is not very significant, its cultural and political relations with the rest of Latin America have been traditionally important. Within the framework of this political relationship, the Salinas administration gave some impulse to the Permanent Mechanism of Political Consultation (the Rio Group), which in 1991 was widened with the incorporation of Chile Ecuador, Bolivia, and Paraguay (Canovas 1997:155). Yet, the real importance of this forum is suspect. As one observer points out; "the end of conflict in Central America left the group without a focus and has made the Rio Group a kind of social club that allows the Mexican government to present a facade of collaborating with Latin America" (Chabat 1993:53). A real test in gauging Mexico's

commitment to the region came when it had to decide whether to collaborate with other Latin American governments in pursuing a joint proposal with the US Treasury on debt reduction. Mexico's economic team deemed that would gain nothing by such an approach and instead went about it alone, much to the resentment of other Latin American debtors. Finance minister Pedro Aspe offered a very blunt answer to critics: "Debtor clubs can offer only minimal common-denominator solutions. Given that countries face different problems under different circumstances, block negotiation benefits are limited by the worst-performance country" (Aspe 1993:139). It was clear that Mexico's commitment to the region was largely a matter of diplomatic discourse: it defined its economic interests as largely independent of those of the region. As the new mindset had it, the economic future of Mexico and Latin America were far from being inextricably linked.

Among the relations of Mexico with Latin America, Cuba has historically taken a special place, in large measure the result of successive US attempts to isolate the Caribbean island. US and Mexican policy towards Cuba continued to clash during the Salinas *sexenio*. Mexican policymakers were particularly appalled at the US Torricelli Law<sup>9</sup>, which they took as a blatant violation of free trade, as codified in international law and the GATT. The government of the Mexican Republic understood, much like many others around the globe, that the decision of a state to establish commercial links with another is an expression of its sovereignty and is not subject to the will of third parties.

Relations with Latin America were to be inevitably affected by NAFTA. The incorporation of Mexico into the treaty was to be viewed with envy in the rest of the continent. One need only note how many countries rushed to stand in line for accession immediately after. Their calls would not be answered. To respond to this interest Bush launched his "Enterprise of the Americas", a plan advertised as a new partnership to encourage and support market-oriented reforms and economic growth, but with little actual content. This new overture and renewed formal interest in the region was enthusiastically received by Latin American leaders: "When, after years of our complaining of neglect, the most important man in the world offers his hand, then, I think we should grab it--and the arm and the elbow and the shoulder too", summed up Uruguayan President Luis Lacalle (Shirley 1990:15). The plain reality, of course, was that for the United States relations with Mexico stood on a different and higher plane. Concern among regional leaders in being left behind and calls for inclusiveness forced Mexican negotiators to draft and sign bilateral free

trade agreements with some of these countries, so as to symbolically palliate for the imbalance (in terms of access to the US market) created by NAFTA (Jaubert 1992). Bilateral trade agreements were negotiated with Chile in January 1992 and with Costa Rica, Colombia, Venezuela and Bolivia in 1994. Symbolism apart, the real importance of these agreements was negligible. Let it be noted that the accord with Chile, hailed as the most consequential, accounted for less than 0.4 percent of total Mexican foreign trade.

Although the official position was that Latin America was "a priority" for Mexican foreign policy, in truth the Salinas administration headed north and ignored the south. In a controversial (and originally confidential) memorandum, the US Ambassador to Mexico, John Negroponte, would write to the US Assistant Secretary of State that "the real focus of Mexican foreign policy has been masked through various defensive mechanisms", and that NAFTA "would institutionalize acceptance of a North American orientation to Mexico's foreign relations" (Puig 1991:6). These 'defensive mechanisms' included the creation of a "Group of Three" forum with Colombia and Venezuela that was supposed to serve as a framework for future commercial integration and a mechanism to address common political concerns, such as Cuba. Clearly, keeping the facade was important, for Mexico could not afford to alienate historical allies. By the end of Salinas' term, trade with the entire region amounted only to 4 percent of total Mexican commercial exchange, a low figure from a historical perspective. From the moment the idea of NAFTA was floated around, the government became subjected to spirited attack from the Left and from traditionalists, accusing it of 'abandoning' Latin America. The accusation is unjust and inaccurate for historically Mexico has never been part of the broader Latin American economic and political dynamics. Further, the countries within the region cannot be said to have put much political capital in devising Pan-American economic or political projects; to the contrary, their foreign policies were equally self-serving, much in line with that of Mexico, as they actively sought markets and partners in the rich world. At the end of the day, Latin American countries' economies, markets and technologies are not complementary with Mexico's; rather, they are competitors for rich world markets. That reality, coupled with geographic distance made the region an unattractive trade partner for the Aztec nation. Trade with the region decreased from 5.9 percent in 1988 to 4.1 percent in 1994 (IMF 1995).

In sum, Mexico did not seek to build collective action with Latin America in areas where they had common interests as developing nations,

namely in improving access to capital, markets and technology or a greater voice for the region in international fora. In fact, it can well be argued that Mexican officials, via a concerted publicity offensive, sought to differentiate and accentuate the distinctiveness of their country as a land of investment opportunity.

For many influential Mexicans, Europe represents a political and economic partner par excellence. The intensive search for trade and investment partners opened a debate in Mexico City on the need to protect Mexican political and cultural identity. Europe has traditionally been seen as a natural support for that identity. Salinas made a conscientious effort to strengthen links with Europe as part of his administration's general strategy to diversify Mexico's foreign relations. The first goal was to promote foreign direct investment, the second to reverse the trend of relative decline in Mexican exports to Europe. He made his first official visit to Europe in February 1990 and wasted no time in making clear to his German audience the objective of his trip: "when relations with a neighbor as powerful as the United States are intensified, it is of utmost necessity to bring closer distant friends". And added;

"The message we are bringing to European investors is that Mexico is in a strategic position. It is a big market of 85 million people, which by the end of my administration will have grown by another 10 million. Mexico borders with the world's biggest market and has access to two oceans" (Financial Times 1990).

The three most important bilateral relations Mexico has traditionally had with European Community members are those with Germany, France, and Spain. Germany is at the center of economic relations with the members of the community and the leading supplier of European imports to Mexico. Up until 1987, Germany had been Mexico's second largest investor. Salinas' visit to Germany had a very clear goal: to seek reassurances that the reunification of the Federal Republic with the GDR would not reduce German investment in Mexico. Helmut Kohl, who warmly support the project of his Mexican homologue, pointed out the "seriousness and permanence" of the Mexican economic strategy and stressed that his country could well play an important role in that strategy via the transfer of technology, direct investment, and as a recipient of Mexican exports.

During his trip to London, Salinas' vision would receive similar praise from Prime Minister Thatcher. With France, the relationship had centered on political cooperation. The French and Mexicans had worked for common goals in Central America where they had joined voices to denounce US intervention in the region. Salinas' travel agenda did not

include this country, however, as the purpose of the trip was to lure in Mexico's three biggest European investors: Germany, Britain, and Spain. The last and most important stop of the European itinerary would be at the World Economic Forum in Davos, Switzerland. Here, Salinas and his team would have a timely and enviable opportunity to sell their country to 800 of the world's most important business leaders and entrepreneurs. The Mexican head of state made clear his concerns about the dangers of political and economic Eurocentrism. The chief worry of Mexican leaders was that the 1992 project for a single European market would come largely at the expense of economic relations with third parties. Moreover, the events in Eastern Europe would prove a challenge to Mexico, since these countries were potentially an excellent investment ground for Europe – based on the combination of geographical proximity, cheap labor, and high educational attainment (Perez 1997). Therefore, great effort was made by Salinas and his team to differentiate Mexico from these newcomers to the capitalist economic scene. European businessmen were reminded time and time again that Mexico had many comparative advantages *vis-à-vis* Eastern Europe: political stability, far-reaching and more established economic reforms, and geopolitical location, bordering the richest market economy in the world.

Predictably perhaps, Mexican officials' overtures were to get a rather cold reception. They had to conclude with resignation that the situation in Europe did not favor the flow of capital and investment towards their homeland. It was overwhelmingly obvious that, in the context of a slowing world economy, the ex-socialist eastern European countries had a genuine advantage *vis-à-vis* Latin America in the competition for the scant private capital available. Moreover, Europe saw Mexico as part of a region that had been economically stagnant for more than a decade. Jaime Serra, then Secretary of Commerce, has informally let known that it was during a cocktail in Davos where Carlos Salinas would make the most momentous decision of his presidency: the possibility of a trade agreement with the United States (Gil 2001). Until Davos Salinas had shown no interest in a free trade agreement with the United States, and had stated this in public, as he reckoned that the wide development gap between the two made the idea unrealistic. It soon became obvious, however, that increased economic integration with the outside world required first a free trade agreement with the United States. He reveals as follows the lesson learned from his interactions with European leaders: "The message was clear, if I could convince the United States and overcome the difficult opening and efficiency requirements that came with a Free Trade Agreement, then



Mexico was ready for an treaty with Europe" (Salinas 2000:241). Europe continued to be Mexico's single most important political partner in counterbalancing US influence in the Western Hemisphere; however, its economic presence would remain relatively modest considering Europe's economic clout. The EC's share of foreign investment in the country remained rather stable at 19 percent of the total. Much to Salinas' chagrin, Europe was not meant to be a reliable economic ally for his ambitious plans.

Whether a political tactic or as a firm conviction, the Mexican president would often state that he considered his country a "Pacific nation". Asia's "tigers" (Hong Kong, Singapore, South Korea, and Taiwan) were, in a very real sense, Mexico's role models: countries that had risen from the depths of the Third World and, mainly via a combination of economic *laissez faire* and export-oriented growth, were fast closing the gap between them and the rich "West". Could they (plus Japan) not be Mexico's source of foreign investment? Could they not be they key to diversifying Mexico's trade? The President himself certainly thought so:

"In this new age of increased competitiveness in which we live, Mexico has the vitality and optimism that characterize the Pacific Rim spirit... The possibilities of matching and exchange between both regions is extraordinary: financial resources, technological links, large and expanding markets on the one side, and stable institutions, a modernizing business sector and raw materials on the other" (Salinas 1990b:31).

Further, many experts inside and outside Mexico would stress that the region offered economic lessons for the country to heed. For Japanese economist Terutomo Ozawa, the Asian experience held out "a new development paradigm, one that may serve as a beacon for Mexico in its present course of economic policymaking". The rise of the Asian Newly Industrializing Countries showed that "a latecomer economy can feed on, be nurtured by, and successfully thrive on the strengths of the advanced economies" (Ozawa 1991:130).

Among the potential sources of Asian investment, Japan is undoubtedly the most important target for Mexican policymakers. During the early nineties, statesmen throughout Latin America would spread the idea that large amounts of Japanese investment would come into the region. For Mexico, this held the promise of reducing its economic dependence on the world's hegemon. Moreover, many observers with an ahistorical perspective had naively hoped that, freed from Cold War straightjackets, Japan would also establish an independent political presence in the region. Anyone familiar with Japanese foreign policy and thinking knew otherwise: Japan's relationship to Latin America is

subordinated to United States policy goals. In Japanese eyes, the region is seen as the US' backyard, and Japanese policy in the region has to be viewed in the context of Japanese relations with the United States. The island nation had never had a defined Latin America policy; the end of the East-West struggle would only reinforce the Japanese tendency to tailor actions in the region in ways that gratified the US Policy towards Mexico was no exception. During the Salinas *sexenio*, the most visible example of Japanese deference to US priorities was provided by the Japan Export-Import Bank generous USD 2 billion contribution as part of the Mexican debt reduction negotiations. If reducing Mexico's sovereign debt was important to Washington, it became important to Tokyo as well.

Despite vigorous efforts to sell the "new Mexico" much like it had been sold in Europe, Mexican officials were to get the cold shoulder from Asia as well. Interest from East Asian investors in the Aztec nation can be most clearly elucidated within the context of their US investment strategies: that is, Mexico was interesting as a potential platform from which to export to the United States. However, until Mexico secured permanent access to the American market via a binding treaty, it held little attraction other than geographic proximity to the biggest consumer market in the world. Moreover, Mexican economic mismanagement and poor economic performance in the 1980s weighted heavily against the country. "In the view of Asian investors, the Mexican market was not sufficiently attractive in itself, and the memory of the debt crisis was still fresh in the minds of Japanese bankers", says the high-ranking diplomat, Andres Rozental (1993). After the European rejection came the Asian one. These developments amounted to a decisive blow to the strategy of broadening economic relations, even if this was never admitted by Salinas' administration. The classic dilemma of economic asymmetry that was present in Mexican-European relations also reared its ugly head here: for Mexicans, the Pacific Rim was a large and dynamic market; for Asians, the Mexican market was rather unimportant. Mexico's acceptance to the Asian Pacific Economic Cooperation (APEC) – the main multilateral organization in the Asian region, gathering the 15 most important economies of the region and representing half of world industrial production and 40 percent of global trade – was only granted after NAFTA was finally a fact on the ground, years after Salinas' initial overture to the region (Rozental 1993:96). But the benefits of APEC membership were, in any case, very limited, given the nature of the organization – agreements to liberalize trade are non-binding<sup>10</sup>.

Whereas pragmatism was to characterize Mexico's new diplomacy,

the more traditional aspects of Mexico's diplomacy did not altogether disappear. This was most evident in the Mexican rapport with the multilateral organisms. Here, Salinas' diplomats, more than the President himself, were to give voice to Mexican priorities and viewpoints. The *política de principios* (foreign policy based on principles) was to prime, much in line with past Mexican policy. These principles have always been the following: the defense of the sovereignty of nations, the notion of 'non-intervention,' disarmament, the development and codification of international law, and the pacific solution to conflicts, among others. They were to guide the design and proposals of Mexican officials before the United Nations (Macouzet 1994).

The end of 1980s and the early 1990s saw the emergence of new themes that only the international community as a unit could address effectively, including the defense of democracy, the promotion of human rights, the problem of drug trafficking, or the preservation of the environment. These issues, because of the coordinated global response required to address them, posed a direct challenge to Mexican "traditional principles". How were Mexicans to resolve this quandary? On the one hand, they did not want to be perceived as anachronistic in the diagnosis of these problems; on the other, they did not want to capitulate their cherished principles of non-interference and sovereignty. While agreeing that these issues required international responses, Mexico's diplomats voiced disagreements with the concrete proposals that were being floated at the time. More fundamentally, the Salinas administration dared to differ on the diagnosis of the problems. Prescriptions to specific issues could not be de-linked from its causes, stated Mexican officials. For instance, the lack of democracy or the proliferation of drug trafficking were symptoms of economic underdevelopment, they argued, and the United Nations should not work on these issues without attending to its longtime mission to foster economic development (Canovas 1997:185). Mexico was most fiercely opposed to the "right to intervene" that the UN appointed to itself, including the supervision of electoral processes, the call to create multinational forces to combat drugs, or the extraterritorial of application of national laws in general. The standard Mexican response is well captured by the following statement of the Secretary of Foreign Relations, Fernando Solana, made before the UN General Assembly:

"These initiatives violate principles as fundamental as the self-determination of nations or that of 'no intervention'... we cannot agree with interpretations that assert that, in today's interdependent world, it is anachronistic to make reference to the juridical equality of states, or to the respect to their sovereign rights" (Solana 1992:3).

Fernando Solana and the ministry officials he oversaw would not yield to the new fashionable topics in international affairs; rather, they put the emphasis on the old issues. Whenever the Organization of American States moved in tandem with UN postulates, Mexico always stood against the current by insisting that the role of the organization should be primarily its traditional one of development, and that resources should not be reallocated to other less urgent (political) purposes. Furthermore, in an attempt to deflect attention from its own dubious democratic credentials, Mexico became the only advocate of nonintervention at OAS meetings (Chabat 1996:158).

Another illustration of the influence of the new foreign policy agenda on Mexican decision-making came when it decided to distance itself from the Group of 77 developing nations at the UN. Membership in the OECD was incompatible with membership in the G-77. Which one should Mexico choose, given the important role the G-77 had historically played in championing the cause of Third Worldism, one dear to Mexican hearts? What for many was a dilemma was not one in the eyes of Mexico's new ruling *técnicos*. The nation broke official relations with the forum of 77 developing countries on March of 1994. It was one more step in the drive to create a new image for the country, and part of its desperate search for First World friends and allies. Manuel Tello, Foreign Relations Secretary, in the last months of the Salinas presidency justified the decision at the time in this way: "on many of the issues treated at the international organizations we concur with the positions taken by the developing nations. The problem lies in their political positions regarding economic and commercial issues. On these issues we are playing with the clothes of the OECD countries" (Tello 1994). In short, Mexico was catering to the ideological tenets (free trade, liberalized and open economies) of the rich nations. Aspe, Tello, Cordoba, Solana, Salinas and other cabinet technocrats were thoroughly convinced of the need to join rich-club institutions. For the purposes of luring investment and fostering development it was better to be seen as the "poorest of the rich" than as the "richest of the poor".

## V. CONCLUSION

The role of international markets in the new Mexican model of economic development gave pride of place to foreign affairs. The neoliberal project required a new philosophy of diplomacy. Under Salinas, economic agreements came to replace the traditional *declaraciones de principios* as the building block of foreign relations and this necessarily

involved a redefinition of central features of traditional Mexican foreign policy. Indeed, one of the most distinctive and lasting features that the Salinas *sexenio* gave to Mexican foreign policy was a redefinition of sovereignty. Both at the level of words and deeds, the Administration expanded and turned on its head the previous narrow interpretation of *soberanía mexicana*. In the new international economic and political context, sovereignty was to be enhanced via economic development, and this in turn required increased economic links with the outside world. Thus, political diplomacy was made subordinate to economic diplomacy, the former taking the shape required to serve the latter. Perhaps a better way to conceptualize the change is that they coalesced into one and the same, as the line between the two became blurred.

But Mexico's unabashedly neoliberal developmental scheme could not be accomplished without allies. In particular, it required the US government support. The US Treasury had in its hands the renegotiating of the Mexican debt. Similarly, the US Congress would have the final say on NAFTA ratification. Further, the best advertiser of the "new Mexico" to private investors both in Mexico and abroad was the American establishment itself (print media, US Treasury, Washington policymakers and party politicians, *etc.*). Accordingly, the Salinas team took aggressive steps to mount a political and publicity offensive that would influence decision-making in Washington.

The goal of diversifying economic relations – a worthy enterprise for Mexican diplomacy to undertake – was not accomplished. It was certainly not for lack of political will or effort. A good case can be made that factors both structural and circumstantial (important events in Europe) made this objective unattainable from the beginning. In the end, Mexico devoted most of its political capital on cultivating relations with the United States, while it engaged with Latin America in an active, but rather formal and cosmetic manner. By the close of Salinas' term, commercial relations were more concentrated on the United States than when Miguel de la Madrid ended his. Trade with the US had increased from two-thirds (66.3 percent) to three-fourths (74.9 percent) of total Mexican commercial exchanges (IMF 1995). Although trade agreements were conducted with other nations of the Western Hemisphere, these could be described as formality events. "Mexico can either face north, and be the poorest of the rich, or face south, and be the richest of the poor. The first choice is the right one", Salinas is alleged to have said in private (Castaneda 1993:413). The US Ambassador Negroponte had shown acumen and great intuition in describing Mexican foreign policy as one of "masks", one which ultimately sought to legitimize

a northern orientation. The only arena where rhetoric was most in line with traditional tenets of Mexican diplomacy was within international organizations. However, even within these settings, great care was taken not to contravene the important foreign policy and security interests of the United States. Indeed, it was in Mexican multilateral diplomacy (at the UN and the OAS) where the image and discourse differed most from factual reality.

The peso crisis of 1995 has undeniably cast a long shadow over the 1988-1994 *sexenio*. Not only did that catastrophic setback undermine much of what had been accomplished over the previous six years in economic terms, but perhaps more importantly, it did much to erode the Mexican people's trust in their political establishment. Nevertheless, there are good reasons to think that future historians will view Salinas government's legacy in a more favorable light than is currently the case. The new 'economicism' went beyond a relentless drive to reduce the debt, foster commerce, or attract foreign investment. Most importantly, this *sexenio* changed the very Mexican conception of diplomacy, its essence, its objectives. In short, its *raison d'être*. The actions of the president himself, who devoted a great deal of time to cultivating relations with foreign business groups, spearheaded this new philosophy. Under his term, Mexico's foreign policy acquired many of the traits of other nations. It became more in tune with a world in which the so-called 'low politics' of everyday economic relations had already superseded in importance traditional political diplomacy (high politics). The transition was particularly pronounced for developing countries. Most of today's development-minded third world leaders would not quibble with Salinas' remark: "nowadays... being progressive is measured by deeds and results, not by rhetoric" (Pastor 1990). While the peso crisis, in good measure Salinas' own undoing, ensured that most of the economic gains made were erased, there was an important sense in which the *sexenio* was not lost: in the institutionalization of a new political economy and a results-oriented standard for policymaking.

However, when one judges the *Salinato* it is clear that the economic and political orientation he gave to Mexico have become established. The new foreign policy initiated in 1988 has seen no turning back in the past twelve years, and most analysts reckon that even a non-PRI government would find it very challenging to change it. NAFTA, President Salinas' greatest accomplishment, guarantees that Mexico will remain open to the world. Moreover, with the benefit of hindsight, one can point to a remarkable (and perhaps paradoxical) result of the free trade agreement: it

has provided Mexico with a valuable asset for negotiations with the European Union and East Asia. It becomes increasingly clear that because of NAFTA both regions have accorded Mexico a privileged position within Latin America. These developments offer the prospect for an enhanced diversification of Mexican external relations, both economic and political, for Europe can also be a reliable and invaluable partner for Mexico in many issues of international affairs in which they coincide in their opposition to the United States. In sum, if NAFTA was “Salinas’ international relations gamble,” as the current Foreign Relations Secretary then called it, it has proven a worthwhile one to take. Further, there is one powerful reason to think it will be a good gamble for the foreseeable future: it is in the security and foreign policy interests of the United States that the gamble pays off. As has been pointed out, influence and vulnerability must not be confused. NAFTA may have increased American influence in Mexico City politics, but Mexico is not for that reason more politically vulnerable *vis-à-vis* the United States, for the relationship is, more than ever, characterized by a high degree of mutual dependence.

The constant feature of Mexican foreign policy has always been its unrivaled independence. That trait is now largely gone, and with it many accompanying ones. Perhaps *prima facie* evidence that Mexico has ditched its past idealist and symbolic foreign policy is provided by the Mexican response given to recent remarks made by Cuban strongman Fidel Castro – a longtime admirer of Mexico. The Cuban dictator decried Mexico’s “lack of independence” as regards its foreign policy. Ernesto Zedillo’s Secretary of Foreign Relations, Rosario Green, responded that she was baffled by the remarks and added that Mexico was sad that Cuba’s economic strategy had failed miserably. Green was implicitly judging the legitimacy of Castro’s regime in terms of its economic performance! A revealing anecdote that illustrates that Mexican foreign policy is unrecognizable from that of a few years back.

## Notes

- 1 Out of the six candidates, the selection of Carlos Salinas as President of the Republic by the traditional *dedazo* (hand-picked by the previous President), amounted to a political earthquake within the ruling Partido Revolucionario Institucional (PRI). He was the least popular of all candidates and there was little support for Salinas among the rank and file that managed the political machinery of the PRI. In the view of some party ‘dinosaurs,’ the PRI as they had known it was dead.

- 2 This exaggerated borrowing coupled with hikes in interest rates in the early 1980s had led to the debt crisis in 1982, when Mexico publicly announced it could not meet its payments and would be forced to default. This, in turn, led to a *decada perdida*, or lost decade in terms of economic prosperity. Avoiding the repetition of this tragic chain of events was certainly implicit in the new open-economy strategy.
- 3 Says Salinas in his recent book, "given my responsibility as head of government, I asked myself an essential question: how could Mexico maintain its sovereignty and national identity in a time of globalization and global integration? (...). Clearly not with the tools used during first decades of the twentieth century (...). In a world setting of complex inter-relationships among countries, to erect protectionist barriers or resort to aggressive nationalist rhetoric were of no use" (Salinas 2000:294).
- 4 The Reagan government had not shied away from criticizing the Mexican electoral process. Numerous public statements by administration officials and Reagan himself aired openly strong differences and disapproval of Mexico's foreign policy in Central America and Mexican participation in the Contadora group. Mexican governmental corruption and the negative effect of its performance on the joint fight against drug traffic were also subjected to American censure. Mexico reacted to these attacks in its traditional defensive way, by waving the flag of nationalism (Purcell 1998:108).
- 5 A *Washington Post* editorial of July 1988 speaks volumes to this cynicism among American elite circles. According to the newspaper, "Mexico is now in the midst of an extraordinary series of reforms led from within the dominant party. Ballot fraud always deserves attention, but it's the reform that is the great and historic change."
- 6 Salinas's economic policies did not, however, reflect the wishes of either the Mexican Congress or the Mexican people at large at the time of implementation, rather his political strategy was based on the adoption of reforms that he deemed would bring economic growth and thus eventual political support. This implicit belief in the benefits of the 'enlightened despot' model, therefore, amounted to considering his judgment superior to that of anyone else, and seeking consensus post facto, avoiding the encumbrance of consultation.
- 7 Once 'fast-track' was granted, the Legislature would be only able to approve or reject the negotiated agreement, but not to alter its contents in any way.
- 8 At home, the task was propagandistic in nature, as he faced no institutional obstacles to the implementation of the agreement. In the United States, however, Salinas' team needed a real lobbying strategy. This, in turn, required an active Mexican presence in Washington, D.C. The opposition to the agreement in the US was substantial, ranging from Ross Perot and prominent members of the US Congress to the AFL-CIO, America's most powerful labor union. Mexico had traditionally had an inconspicuous presence in the US capital, as lobbying meant involvement in the internal affairs of another country and this flew in the face of its traditional commitment to nonintervention. Freed from this historical straightjacket, Salinas ushered in a sea-change in Mexican diplomacy *vis-à-vis* the United States. The president sent to Washington Gustavo Petricioli as Mexico's new ambassador, an active, US-educated economist knowledgeable about American affairs who changed the embassy staff and revolutionized the way Mexican interests were promoted in Washington. Petricioli "soon became a familiar figure in official Washington," sums up State Department official George Grayson. Petricioli teamed up



with trade minister Jaime Serra Puche to sway American public opinion, legislators, and the media. Fortunately for them, they were not alone in their crusade. President William Clinton took a personal interest in the matter, devoting much time and political capital to the cause, particularly in persuading reticent Democrat senators. The joint intense efforts of both administrations bore fruit: the treaty was narrowly approved by a vote of 234 to 200 in the US House of Representatives.

- 9 At a convened Organization of American States meeting the United States aggressively called for Manuel Noriega's ouster from power through direct intervention. While the official *communiqué* issued by the Foreign Ministry of Mexico paid lip service to non-intervention and the primacy of sovereignty, it contained sections that were unprecedented in Mexican diplomatic history. It made value judgments about a country's internal political situation and implicitly agreed with the American view that Manuel Noriega should be ousted in one way or another. This caused indignity and outrage within many circles in Mexico City itself, and surely in many other capitals across the region (Revista Mexicana 1990).
- 10 The US Congress passed this piece of legislation presumably to "promote a pacific political transition to democracy in Cuba." It aimed to achieve this goal by tightening the economic embargo and securing the support of the international community via the application of coercive measures to those who did not follow US policy. For instance, the US suspended all foreign aid to those countries that decided to trade with Cuba.
- 11 In addition, some voices would rightly emphasize that acceptance into this club was hardly a right step in the direction of diversification, given the prominent role played by the United States in it, also a member of the organization.

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