

**MEXICO IN CRISIS**

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## FOREWORD

This is the first of a two-part report on the causes and nature of the crisis in Mexico, the prospects for the future, and the implications for the United States. In this initial study, the author analyzes the crisis as it has developed over the past decade-and-a-half, with the primary focus being on the 6-year term of President Carlos Salinas de Gortari and the first few months of his successor, President Ernesto Zedillo Ponce de León. Contrasting the euphoric hopes generated by the North American Free Trade Agreement (NAFTA) with the explosive events of 1994 and early 1995, he explains how a country with such seemingly bright prospects went so wrong. He argues that the United States has few foreign policy concerns more profoundly consequential for its national interests—including its security interests—than the political stability and general welfare of Mexico. For that reason, it is especially important that we understand what has happened and why.

Dr. Schulz's preliminary findings are sobering. Despite some promising moves by the new administration with regard to judicial and police reform and a more cooperative approach to the political opposition, he questions President Zedillo's willingness to challenge the *Partido Revolucionario Institucional* (PRI) elite and the narcotraffickers. The fundamental problem, he suggests, is that Mexico's political economy is dominated by an oligarchy that has grown accustomed to borrowing from foreigners to enrich itself. If he is correct, then there is likely to be trouble ahead, for the current bailout will only perpetuate the system, virtually assuring that there will be another crisis down the road.

The Strategic Studies Institute is pleased to publish this report as a contribution to understanding events in this important country.

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## BIOGRAPHICAL SKETCH OF THE AUTHOR

DONALD E. SCHULZ is an Associate Professor of National Security Affairs at the Strategic Studies Institute, U.S. Army War College. He is the coauthor of *The United States, Honduras and the Crisis in Central America* and coeditor of *Revolution and Counterrevolution in Central America and the Caribbean; Cuba and the Future; Political Participation in Communist Systems; and Mexico Faces the 21st Century* (forthcoming). His articles have appeared in *Foreign Policy*, *Orbis*, the *Journal of Inter-American Studies and World Affairs*, and *Small Wars and Insurgencies*, as well as such media outlets as *Newsweek*, *The Washington Post*, the *Miami Herald*, and the *Christian Science Monitor*.

## SUMMARY

This study examines the development of the crisis in Mexico, with the primary focus on the 6-year term of President Carlos Salinas de Gortari and the first few months of his successor, President Ernesto Zedillo Ponce de León. It poses the question of how a country with such seemingly bright prospects as Mexico in the wake of the North American Free Trade Agreement (NAFTA) approval by the U.S. Congress could so quickly plunge into crisis. The answer is that these problems had been festering for some time. By 1994, a combination of factors—including recurrent economic crises, a failure to introduce meaningful political reforms, the social devastation wrought by neoliberal economic policies, continuing corruption and mismanagement by Mexican political and economic elites, human rights violations, and the growing power of narcotraffickers—was sufficient to destabilize what had long been considered one of the most stable countries in Latin America.

The prospects for the future are mixed, at best. While some substantive political, judicial and police reforms have been belatedly made, serious doubts remain as to how far President Zedillo will be willing/able to go in challenging the power and perquisites of the traditional government/*Partido Revolucionario Institucional* (PRI) elite and the narcotraffickers. A major threat to these elements would probably in itself be destabilizing; it could also be personally dangerous for Zedillo at a time when political assassinations are becoming increasingly commonplace. Moreover, corruption and inefficiency are so ingrained in the political institutions and practices at all levels of Mexican society that nothing short of a wholesale cultural revolution seems likely to solve the basic problem. Such fundamental changes in values are notoriously difficult to carry out and would take years, indeed decades, to accomplish. Thus, while the economy may pick up in a year or two and significant advances in democratization may occur, political violence and social turmoil will continue, at least in the short-to-medium run. In turn, this will pose serious problems for the United States, especially in the areas of illegal immigration, narcotrafficking, and all the costs and dangers they pose for American society.

## MEXICO IN CRISIS

The perfect dictatorship is not communism, not the Soviet Union, not Cuba, but Mexico, because it is a camouflaged dictatorship. It may not seem to be a dictatorship, but it has all the characteristics of dictatorship: the perpetuation, not of one person, but of an irremovable party, a party that allows sufficient space for criticism, provided such criticism serves to maintain the appearance of a democratic party, but which suppresses by all means, including the worst, whatever criticism may threaten its perpetuation in power.

Mario Vargas Llosa<sup>1</sup>

Whither Mexico? During the 1993 NAFTA debate, supporters of the free trade agreement painted a portrait of a country rapidly vaulting into the 21st century, modernizing economically, democratizing politically, creating a more prosperous and equitable society for its citizens while curtailing northward migration, maintaining political stability, and entering a new era of harmonious cooperation with the United States. Then came 1994—the “year of living dangerously”—and suddenly Mexico seemed on the verge of wholesale disintegration.

What happened? How could a country with such seemingly bright prospects go so wrong? And where is it going from here? These are no small questions. The United States has few foreign policy concerns more profoundly consequential for its national interests than the political stability and welfare of Mexico. Yet, U.S. political and military leaders—not to mention the public at large—have only recently begun to realize that. Indeed, many still take their southern neighbors for granted. That is no longer a viable option, however. Mexico has entered a “time of troubles,” and precisely because its economy and society have become so intertwined with our own, its problems are increasingly becoming our problems. Whether in the form of illegal aliens, drug trafficking, violent and nonviolent crime, growing welfare, educational and medical costs, racial strife, economic losses for U.S. investors, companies and labor, or the decline of the dollar, the net result is an erosion of U.S. security and well-being.

Thus, the need for a better understanding of the Mexican crisis in order that we may better protect ourselves from its fallout. This report is the first part of a two-part study examining the causes and nature of Mexico's malady and the prospects for the future. We will begin with an historical analysis of the crisis as it developed from roughly 1982 to the present (April 1995), with the main focus being on the 6-year term of President Carlos Salinas de Gortari and the first few months of his successor, Ernesto Zedillo Ponce de León. In a subsequent report, an assessment will be made of the prospects for democratization; the outlook for socioeconomic development; the likelihood of continuing political stability; and the future of the U.S.-Mexican relationship.<sup>2</sup> A number of policy recommendations will be offered in the hope that certain obvious (and not so obvious) pitfalls can be avoided. Along the way, also, we will suggest how all this affects the U.S. Army.

## **HISTORICAL BACKGROUND**

### **Economic Crisis, Political Decay, and the Deinstitutionalization of Hegemony.**

Any evaluation of Mexico's prospects-especially its prospects for democracy-must begin with an appreciation of the durability of Mexican authoritarianism. In Mexico, the current political system has survived essentially intact for 66 years, ever since the old revolutionary elite founded the hegemonic or "official" party (originally called the *Partido Nacional Revolucionario*, today the *Partido Revolucionario Institucional* or PRI) in 1929. Over the years, noncompetitive elections were institutionalized within a formally multiparty, pluralistic framework. Not only was "the perfect dictatorship" disguised as a democracy, but it displayed an extraordinary capacity to regenerate itself through co-optation and reform. In this sense, change served not as an agent of systemic transformation but rather as a means of preserving continuity. Historically, electoral and party reforms were employed as tactical devices to maintain the legitimacy of the system and the hegemony of the governing elite and the dominant groups within it, and their instrument, the PRI.<sup>3</sup>

Nevertheless, since the 1960s-and especially since the

violent suppression of the student protests of 1968—the Mexican system has been undergoing a process of gradual, though accelerating, erosion.<sup>4</sup> This disintegration has been marked by cycles of crisis and reform, with each new turn of the latter giving rise (or at least contributing) to a succeeding crisis right up to the present.<sup>5</sup> Thus, while *gatopardismo*—changing in order to remain the same—has been essential to the maintenance of systemic equilibrium in the short-to-intermediate run, the strategy has been unable to prevent long-term decay. Rather than addressing the deeper, more fundamental problems that were undermining the system, reforms were designed to merely buy time through piecemeal adjustment. The result, by the 1980s, was a “generalized crisis [that] increasingly encompassed the entire system.”<sup>6</sup>

By far the most powerful catalyst in this escalating process of political decay was the economic crisis that struck Mexico in the summer of 1982. Up until that time, the legitimacy of the political system had been based not only on its capacity to maintain order and security, but on an “economic miracle” that had been able to provide real increases in living standards even in the face of rapid population growth and a highly unequal distribution of wealth. Between 1933 and 1981, the Mexican economy grew at an average annual rate of 6.2 percent, increasing eighteenfold.<sup>7</sup> Politics was a positive-sum game in which people from all socioeconomic classes could benefit, though granted some “won” far more than others.

In August 1982, however, the bubble burst. The country plunged into a period of financial crisis and economic stagnation unprecedented since the Great Depression. During the *sexenio* (the 6-year presidential term) of Miguel de la Madrid Hurtado, economic growth stagnated while unemployment and inflation soared (the latter reaching 132 percent in 1987), real wages fell by at least 40 percent, and per capita GNP dropped from U.S. \$3,170 (1981) to U.S. \$1,860 (1988).<sup>8</sup> Those who were most vulnerable were the hardest hit. Nor was their plight helped by the de la Madrid administration’s neoconservative economic strategy, with its emphasis on cutting government spending (especially on social programs) and reducing the size of the bureaucracy. With less wealth to distribute, politics became a zero-sum game in which the lower and middle classes lost while the wealthy continued to prosper. In effect, this meant the end of the inclusionary social

contract that had brought all social classes under the umbrella of the PRI and that constituted one of the crucial legitimizing myths of the regime.

Coming off a period of rising expectations spawned by the oil boom of the late 1970s/early 1980s, the economic downturn heightened relative deprivation and produced a "J-curve" effect.<sup>9</sup> While it did not lead to revolutionary violence, it seriously undermined the PRI and the political system as a whole, causing major divisions within the ruling elite, weakening corporatist controls over civil society, giving rise to a growing number of independent popular movements, and leading to the emergence of a formidable political opposition that by 1988 would come dangerously close to toppling the PRI from its hegemonic pedestal.

As the struggle for systemic transformation picked up steam, traditionally dominant political institutions (the PRI and its affiliates) eroded even as alternative institutions were being formed or rejuvenated. As the regime lost its ability to materially reward widening segments of the population, its legitimacy and system of controls weakened. The corporate network of interest group representation became increasingly ineffectual, especially with respect to the middle and peasant sectors. Even the PRI's domination of organized labor—one of the most crucial pillars of its political power—eroded notably, as *oficialista* labor leaders lost their ability to control the political behavior of the rank-and-file. At the same time, a remarkable flowering of civil society occurred. Especially after the devastating Mexico City earthquakes of 1985, social forces that had previously been co-opted or excluded increasingly gave birth to new organizations, most of which focused on very specific demands. By the end of the 1980s, hundreds of independent nongovernmental organizations had been formed. Their ranks included political parties and business, labor, peasant, mass media, and human rights groups. And increasingly they began to find common cause through alliances, coordinating committees and coalitions of coalitions. In 1988, many of these groups became active participants in the electoral process.<sup>10</sup>

Meanwhile, the ruling elite was increasingly riven with factionalism and strife. Within the PRI, tension was growing between the traditional dominant *políticos* and the *técnicos* who

had come to dominate national policymaking under de la Madrid. In part, this conflict was the product of policy differences. Throughout the decade, elite unity was shattered by bitter public debates over economic reform. Many old-guard *políticos* viewed such measures as the privatization of state enterprises, the reduction of subsidies, and the curtailment of public spending as betrayals of the party's revolutionary heritage. At the same time, they tended to view political reforms with suspicion, fearing that increased competition would undermine the PRI's hegemony and their own power and lead to political instability. While the division between *políticos* and *técnicos* was by no means clear-cut (not all *técnicos* are political reformers and some can best be viewed as "technopols"-i.e., as combining technical and political skills and outlooks),<sup>11</sup> in general those who favored traditional economic solutions got frozen out of power.<sup>12</sup> In October 1987, some of these elements left the party to form an opposition movement under the leadership of Cuauhtémoc Cárdenas and Porfirio Muñoz Ledo. Others remained in the PRI, but their tepid support for the *oficialista* candidate, Carlos Salinas de Gortari, undermined the party's ability to get out the vote.

By early 1988, then, the PRI's hegemony was crumbling under pressure from diverse political forces both from within and without the party. From the left, dissident former *priistas* were joining with socialists, populists and nationalists to form a *Frente Democrático Nacional* (FDN) in support of Cárdenas' presidential candidacy. From the right, disgruntled medium and small entrepreneurs, hurt by the economic crisis and resentful of the government's favored treatment of big business, were rallying to the banner of the *Partido Acción Nacional* (PAN) and its candidate Manuel Clouthier. In contrast to Cárdenas, who had inherited the name and at least part of the mystique of his revered father (former President Lázaro Cárdenas), and Clouthier, who was a fiery orator, the PRI's Carlos Salinas seemed a colorless figure. His candidacy was unpopular within his own party. He was the representative of the new technocratic generation that was wresting control from the "dinosaurs" in the party apparatus and organized labor. Salinas' nomination was perceived by the Old Guard as evidence that it would continue to be marginalized and denied real power in the coming administration. Nor, in spite of his credentials, did he have that much support within the government, where many bureaucrats feared for their jobs under an austerity-minded administration.

The upshot was that many who would ordinarily have lent strong support to the PRI candidate's campaign either went through the motions or defected.<sup>13</sup>

Thus on July 6, election day, many traditional PRI voters abstained or went over to the opposition. Only through massive fraud was Salinas able to capture even a bare plurality. When the early returns showed Cárdenas in the lead, the government's computers went dead, allegedly for "environmental reasons."<sup>14</sup> Only after a week's delay in which Cárdenas ballots were found "floating down rivers and smoldering in roadside bonfires" were the official results released: Salinas had "won" 50.7 percent of the vote, the narrowest margin of victory in the PRI's history. The opposition had gained almost half the seats in the Chamber of Deputies and four seats in the Senate. This was the first time ever that the PRI had lost a Senate race.<sup>15</sup> The perfect dictatorship, it seemed, was in the process of either being transformed into a democracy or disintegrating altogether.

## **THE SALINAS *SEXENIO***

### **The Reinstitutionalization of Hegemony.**

Thus was born, amid political turmoil and illegitimacy, the historic *sexenio* (6-year term) of Carlos Salinas de Gortari. There was here no little irony. During the campaign, Salinas had made a point to stress that his would be a "modernizing" presidency not only in terms of economic reform but in the political realm as well. In the so-called "Declaration of Hermosillo," he called on his colleagues in the PRI to reject their old habits of electoral fraud: "We should recognize that to win elections, it is necessary to convince and not just conquer.... I want to win, and I also want people to *believe* in our victory."<sup>16</sup> The reality of what had actually happened seemed to mock his professed commitment to democracy.

There was another contradiction as well: this most modern of Mexican presidents had come to power at the head of a political organization whose social and political bases were in the past. The PRI found its greatest support in the most underdeveloped, backward and isolated areas of the country—in the poverty-stricken, rural south rather than in Mexico City (which went to the FDN) or the northern border states (where the PAN was

strongest), among the old, the uneducated, the peasants and the *caciques* (local bosses). In contrast, Mexico's future—the urban middle and working classes, the educated and the young—largely voted for the opposition.<sup>17</sup>

The problem, of course, was that Mexico was changing. Economic development and modernization were transforming the socioeconomic structure in ways that were weakening the traditional culture and the social groups that supported it. A significant proportion of those sectors were already abandoning the PRI and, in conjunction with other, more recently emerged groups, were demanding substantive political reforms.<sup>18</sup> The PRI's hegemony had been broken. The question was whether, or to what extent, it could be restored, or whether the leadership would now permit a substantive transformation of the system to something more approximating democracy.

In his rhetoric, at least, Salinas seemed to opt for the latter. There was always, however, a basic dilemma—namely, how to introduce "democracy" without jeopardizing the power and spoils of the ruling class? No political elite can be expected to voluntarily preside over its own demise, and the PRI leadership was no exception. Thus part of the challenge facing the new president would be to modernize the party and the political system in concert, so as to enable the former to maintain its dominance, albeit under somewhat more competitive circumstances.

This was a slippery slope. The danger was that, in the process of introducing reforms, the government might not only undermine the PRI but political stability as well. Salinas was acutely aware of the risk of trying to simultaneously introduce major economic and political changes, and he became even more so as the Gorbachev experiment in the Soviet Union, which had tried to do just that, unravelled during 1989-91. How could one maintain order and create new bases of political support while requiring even greater economic sacrifice? As Salinas himself observed: "Some countries are attempting [both economic and political] reforms at the same time, and they end up with no reform at all, and even graver problems." His conclusion: the two would have to proceed at "different rhythms," with economics having the priority. As for the seeming incompatibility of democracy and continued PRI dominance, he noted that: "I keep hearing that in Mexico one party has held power for years, but

when I think of how one party has ruled long in countries like Japan or Italy, I pay less attention to the criticism."<sup>19</sup>

Yet, the issue could not be ignored. Among other things, Salinas' economic and political strategies were inextricably interconnected. On the one hand, his goals of maintaining political stability and PRI dominance depended on economic recovery and the generation of prosperity. On the other, his economic development strategy depended on attracting international support, especially from the United States. The centerpiece of Salinas' economic policy, the North American Free Trade Agreement (NAFTA), depended precariously on U.S. politics, in particular upon the approval of the U.S. Congress. In turn, that meant that a concerted political and public relations effort had to be made to cultivate an image of a responsible, modernizing and democratic Mexico.

The result was something akin to an optical illusion. Political reforms were embraced, but the substance of democracy remained evasive. Electoral reforms were largely meaningless, in some cases even tightening the PRI's grip on the government and electoral apparatus. At the state and municipal levels, fraud continued unabated. Indeed, it seemed to be undergoing a certain "modernization," as new techniques (cybernetics) were added to myriad traditional ones.<sup>20</sup> On occasion, when these maneuvers were too blatant or the opposition protested too vociferously creating a public relations problem for the regime, President Salinas would step in and resolve the dispute. This led to the removal of a number of "victorious" PRI candidates and, in some cases, their replacement by opposition leaders, giving the appearance of liberalization, while defusing embarrassing protests and co-opting some elements of the opposition (especially the PAN, which was allowed to acquire three governorships). But it had little to do with democracy. Rather, this was an integral part of the Mexican system of *presidencialismo*, which gives the president almost absolute power during his term of office.<sup>21</sup> This was the hard core of the authoritarian system, and there was no indication that Salinas intended to weaken it. On the contrary, he seemed to be streamlining the system and centralizing even more power in the upper echelons of the party and government, particularly in the presidency.<sup>22</sup>

Other reforms met similar fates. Despite of promises to

democratize the internal workings of the PRI, little was accomplished. (Over 90 percent of the party's candidates for the Chamber of Deputies in 1991 were chosen by the traditional method of *dedazo*, or appointment from above.) Though Salinas upon taking office launched a highly publicized campaign against corruption, this seemed to be as much the product of his need to establish himself as a strong leader (which was especially pressing given the way in which he had limped to victory in the election) as anything else. This was a time-honored tactic, which allowed him to distance himself from the venality of the past and demonstrate his commitment to reform.<sup>23</sup> But it made no more than a dent in the endemic malfeasance plaguing the body politic. Lured by huge amounts of easy money and a virtual guarantee of impunity, many of the country's high-level military and police officers forged ties with narcotics traffickers. At the same time, public funds continued to be diverted to private purposes, including the financing of PRI political activities. The government's privatization program provided new opportunities for its supporters in the business sector to make financial killings. Meanwhile, judicial reforms further concentrated power in the hands of the executive, and authoritarian controls over the labor movement were tightened.<sup>24</sup>

Human rights violations also persisted. Prior to 1982, the government had been able to rely largely on economic rewards to maintain political control. But when the economic crisis hit this was no longer possible, and the regime had been increasingly forced to employ repression. Now Salinas was trying to reverse that equation by rebuilding the economy so that negative incentives could be replaced by positive ones.<sup>25</sup> That would take time, however. The turmoil of 1988 and the growing aggressiveness of opposition parties and interest groups presented an immediate perceived threat to political stability and PRI dominance. And so while some small measures were taken to reduce human rights abuses, the basic pattern of violence, intimidation and impunity remained unchecked. Local labor bosses formed goon squads to kill rivals and terrorize rebellious union locals. Rural strongmen hired death squads to cow peasants seeking the enforcement of land reform laws. The Federal Judiciary Police-Mexico's equivalent of the FBI-arrested, "disappeared," or assassinated human rights monitors, labor organizers, campesino and indigenous rights activists, journalists, environmentalists and other troublesome elements. Cárdenas supporters, in particular, became

favorite targets. According to officials from the *Partido de la Revolución Democrática* (PRD), which had been formed in the aftermath of the 1988 elections in an effort to maintain Cárdenas' political following, some 250 party members died or vanished under mysterious circumstances during the first 5 years of the Salinas administration.<sup>26</sup>

But repression and the facade of reform were not the only means used to undercut the opposition and restore PRI hegemony. Economic rewards were employed as well. Under Salinas, social spending rose substantially, even as the overall budget was drastically reduced. Between 1988 and 1994, spending on education more than doubled. Spending on health care and social security rose by 82 percent and on urban development by 51 percent. Thirteen and a half million more people were provided with potable water, 11.5 million with sewage service, and 4 million with electricity. Two and a half million new houses were built.<sup>27</sup>

The centerpiece of Salinas' social policy was the National Program of Solidarity (*Programa Nacional de Solidaridad*-PRONASOL), which provided poor communities with a vast array of public services. This was a fundamentally political program, designed to weaken the nascent alliances that had been formed between the PRD and those social groups representing the urban poor. The intent was to co-opt the latter by incorporating them into the state's distributive network. At the same time, Solidarity also represented an attempt to rejuvenate and reinstitutionalize the PRI by forcing it to establish new political bases outside its traditional power structures. Above all, however, it strengthened Salinas' political standing and the system of *presidencialismo*.<sup>28</sup>

Complementing the president's social development strategy, moreover, were the promise and evidence of economic recovery. Between 1988 and 1990, the rate of increase of the Gross Domestic Product grew from 1.2 percent to 4.4 percent annually. And though it declined to 3.6 percent in 1991, per capita Gross National Income kept rising (to U.S. \$1,900, compared to U.S. \$1,710 in 1988). Inflation plunged from 159 percent in 1987 to around 23 percent in 1991.<sup>29</sup> Foreign investment flooded the country. While the government's neoliberal economic program benefitted almost entirely the rich and the middle class (which gained ready access to U.S. consumer goods),<sup>30</sup> even the poor could hope for a better

future. The capstone of the president's economic strategy—the NAFTA—promised to spur growth, create jobs, raise living standards, and catapult the country out of the ranks of the "Third World" into the community of "developed" nations. In the meantime, Solidarity provided a downpayment to those who had not yet benefitted from the government's economic policy. In effect, the program became a symbol of Salinas' good intentions.

By mid-term, then, a combination of factors had considerably strengthened the political position of the president and the PRI. Salinas had proven himself to be an exceptionally strong leader, with a vision of the future that appealed to millions of Mexicans. Some had already reaped tangible rewards from his policies, and many more had acquired hope that they too might soon benefit. Nor were his accomplishments limited to the domestic realm. By entering into a partnership with the Bush administration to negotiate NAFTA, he had acquired hemisphere-wide stature—a source of nationalistic pride. Salinas was leading Mexico into the 21st century, and he was doing so not as a supplicant but as an equal partner of the United States.

Meanwhile, political reforms provided a facade of democratization even as the PRI continued to enjoy an overwhelming advantage in such areas as financing, access to state resources, and news coverage. Critics continued to be subjected to threats and violence. The PAN had been at least partially co-opted, much of its economic program having already been adopted by Salinas and many of its leaders "tamed" by having been brought into the system. (Once having won state and local elections, PAN officials quickly became dependent on the federal government for the resources they needed to govern effectively. They thus tended to curb their combative instincts lest they be punished.) At the same time, the less compliant PRD had become the target of a concerted campaign of propaganda, intimidation and electoral fraud, designed to demoralize, isolate and divide it, while siphoning off its political support. During these years, the strength of the Cárdenas coalition steadily ebbed. The PRD proved to be less a coherent institution or political party than a conglomeration of diverse groups and ideologies held together by the personalistic leadership of Cuauhtémoc Cárdenas. Without a national election to showcase its strongest political asset, however, the party lost much of its appeal.<sup>31</sup>

Thus were the conditions created for the PRI's dramatic recovery from the political trauma of 1988. Through a combination of fair means and foul, the party—with a few significant exceptions—swept the state and local elections of 1989 and 1990, culminating in a smashing victory in the August 1991 mid-term elections. In the latter, the PRI received over 60 percent of the national vote, winning 310 of the 500 seats in the Chamber of Deputies (up from 266 in 1988). The party also won all six of the gubernatorial posts that were contested and all but one Senate seat. It even prevailed (overwhelmingly) in the area of its greatest weakness, the Federal District.<sup>32</sup> To all appearances, PRI hegemony had been restored. Only time would reveal this as an illusion.

### **From Reinstitutionalization to Crisis.**

On November 17, 1993, the U.S. House of Representatives ratified the North American Free Trade Agreement, ushering in a new era in U.S.-Mexican relations, Mexican economic development and, arguably, in Mexico's political evolution. Passage had not come easily. It was obtained only after a prolonged and fierce political struggle that had included the negotiation of side agreements designed to make the pact more palatable to U.S. critics. Even so, it had not been clear until almost the final moment that the measure would pass. In the months preceding the vote, Salinas had even distanced himself from the agreement a bit, seeking to deflate public expectations in the event it was rejected.

The NAFTA victory marked the high point of the Salinas *sexenio*. The president had now established himself as a visionary and a statesman; many considered him the greatest Mexican leader of the century. Public opinion polls showed him to be widely popular. Economically, the country seemed poised to make the transition from underdevelopment to modernity. Politically, the PRI seemed invulnerable. Given the magnitude of the achievement, how could the party fail to consolidate its newly restored hegemony?

Beneath the surface, however, trouble was brewing. Since 1990, the economy had steadily declined (from a growth rate of 4.4 percent in 1990, to 3.6 percent in 1991, to 2.6 percent in 1992). In 1993, it grew only .4 percent (manufacturing shrank 5

percent). By year's end, the country was experiencing negative growth.<sup>33</sup> Added to this were the deleterious effects of the government's neoliberal economic policies. Although the upper and upper middle classes had substantially benefitted from many of these measures, the same could not be said for the vast majority of the poor. By now most tariffs, food price controls and subsidies for food and agricultural inputs had been eliminated; the economy had been opened up to the large-scale importation of food and feed; credit and technical assistance had been privatized, as had over a thousand state corporations. In early 1992, moreover, Article 27 of the Mexican Constitution, which had provided the legal basis for the long moribund agrarian reform, had been revised. The government announced a formal end to the land redistribution program. *Ejido* members who had received land now acquired the right to sell, rent, sharecrop or mortgage it and to enter into contracts with private entrepreneurs, including foreign investors.<sup>34</sup> In effect, Mexico's communal landholdings were being privatized.<sup>35</sup>

One can scarcely overstate the potential significance of these changes. In their totality, they seemed to be the beginning of a "silent revolution" at the grassroots of Mexican society. Already hundreds of thousands of workers (1.15 million in 1993 alone) had lost their jobs as privatized state industries slashed their work forces and companies unable to compete with the influx of inexpensive U.S. products cut back their operations or went out of business.<sup>36</sup> The impact was especially traumatic in the countryside. After 1989, only maize and beans continued to receive guaranteed prices. Peasants growing other crops often found it difficult to sell their produce. Under NAFTA, moreover, the situation seemed likely to become much worse as tariffs and import quotas on maize and beans were phased out, along with corn subsidies, over a period of 15 years. With the reforms of Article 27 now permitting the sale of *ejido* lands, it appeared highly probable that inequality and land concentration would get much worse, as poor peasants came under increasing pressure to sell out to large agro-export producers. How many people would ultimately be affected was difficult to say, but some analysts estimated that 700 to 800,000 agricultural workers might be displaced by declining corn prices. Others suggested that as many as 15 million people could be forced out of agriculture as a consequence of NAFTA and other policy changes.<sup>37</sup> A U.S. Embassy political officer predicted that out of the roughly 20 million

Mexicans working the land in 1993, only half would be left in 2009.<sup>38</sup>

These worst-case scenarios are subject to debate. Two years after the reform of Article 27, there had been no massive privatization of communal lands. (In large part, this may be attributed to the slow pace at which the reforms were being implemented.)<sup>39</sup> Nevertheless, there were growing indications that *ejido* social organization was crumbling and that agrarian conflicts were on the rise. Many peasants reacted to the reforms with confusion, suspicion, and sometimes open hostility.<sup>40</sup> As the economy continued to decline—along with the prices for such basic products as wood, coffee, cattle and corn—desperation grew. Not even the social programs of Solidarity could neutralize the pain of declining incomes, rising unemployment, and increasing landlessness.

This was especially the case in the poverty-stricken southern state of Chiapas. There the economic decline had been particularly sharp. Chiapas was Mexico's primary coffee-producing state. But between 1989 and 1994, the international price of coffee had fallen from U.S. \$120-140 to U.S. \$60-70 per hundredweight. Combined with changes in federal government policy (a reduction of available credit, for instance), this had led to a 65 percent drop in income for growers.<sup>41</sup> In the face of these kinds of losses, Solidarity could have little effect. Indeed, in some respects it made things worse. Though the program's expenditures in Chiapas increased substantially (by 130 percent in 1989-90, 50 percent in 1990-91, 20 percent in 1991-92, and a further 1 percent in 1992-93), much of this ended up in the pockets of local political bosses.<sup>42</sup> The manipulation and diversion of Solidarity funds intensified unrest in local Indian communities, fueling demands for socioeconomic and political change. Twenty to 30 percent of all unresolved land disputes in Mexico were in Chiapas.<sup>43</sup> As conflict surged, peasants battled other peasants, large landowners and their hired thugs, local security forces, and even the Mexican Army. Human rights violations proliferated. The consequence was the growing radicalization of campesino militants. By 1993, press reports of guerrilla activity began to circulate. By now, however, the Salinas administration was in the midst of a fierce struggle for the NAFTA. It was desperately trying to foster the image of a politically stable, modern Mexico that would be a "reliable

partner" for the United States and Canada. Accordingly, the reports were publicly denied. The guerrillas, it was assumed, were a minor problem, easily manageable.

But beyond the declining economy, the spread of social pain, and growing socioeconomic inequality, there was also a rapid proliferation of corruption and criminal violence. Much of this was narcotics-related. Mexico had not quite become "Colombianized," though there was much talk to that effect. The immediate danger was not that drug lords would wage war on the state à la Medellín, but that they would subvert it through corruption. Collusion between traffickers and Mexican officials already ran so deep that the problem seemed beyond the government's control. In the process, marijuana had become the most important cash crop in Mexico. Not only was the country the leading producer of heroin and foreign marijuana for the U.S. market, but an estimated 50-70 percent of all cocaine shipped to the United States passed through its borders. Much of this activity occurred with the complicity of Mexican authorities, especially the police.<sup>44</sup> In 1988, drug revenues had reached levels equal to about 1.25 to 4 percent of Mexico's GNP, and had represented between 6 and 20 percent of the country's export earnings.<sup>45</sup> And there was no end in sight. Indeed, U.S. intelligence and law enforcement sources reported that Mexican and Colombian smugglers were setting up factories, warehouses and trucking companies to exploit the increase in cross-border commerce expected under the NAFTA.<sup>46</sup>

As opportunities for profit increased, so did drug-related violence. Stepped-up law enforcement by the Salinas administration (a necessity if Mexico were to be accepted as a partner in NAFTA) led to the suppression of some cartels, though the imprisoned bosses often continued to run their multibillion-dollar operations from their cells. More important, however, by elevating the price of drugs at all stages of production the government's law enforcement efforts increased earnings and hence the incentives for trafficking. Thus, the suppression or partial suppression of some cartels only led to a proliferation of competing organizations. By 1993, there were roughly a dozen grand mafiosos and other minor ones in control of these cartels, and they were increasingly engaged in turf wars. During the first 5 months of the year alone, over 80 people were killed in Culiacán, a city that had acquired the reputation of a "Little

Medellín"; most were believed to be drug-related.<sup>47</sup> In May, the violence hit home with a vengeance when Cardinal Juan Jesús Posadas Ocampo and several other people were gunned down at the Guadalajara airport during a shoot-out between rival gangs.

The Posadas assassination sent shock waves through the body politic. The government's account was greeted with widespread skepticism. (The killing was found to be a case of mistaken identity.) Critical questions remained unanswered. At the time, unidentified officials had ordered the delay of a Tijuana-bound Aeromexico passenger jet, allowing eight of the gunmen to board. Even after it became apparent to investigators on the ground that some of the killers had escaped by plane, Mexican officials apparently made no effort to halt the jet or meet it in Tijuana. Upon arrival, the gunmen simply walked away.<sup>48</sup>

By now the administration was caught in a growing credibility gap. Only the previous year, its report on a gas explosion in Guadalajara that had killed over 200 people had been received with similar incredulity. (The authorities found that the accident had been caused by leakage from a corroded pipe; most locals, however, believed that officials at the state oil monopoly, PEMEX, had been punching holes in the lines to siphon off gas to be sold illegally.) A month after Posadas' death, moreover, government officials, in announcing the arrest of a former Mexico City police chief on bribery charges, proclaimed that they had wiped out high-level corruption in Mexico's police force. Again, few people believed them.<sup>49</sup>

Quite apart from the merits of these particular claims, these incidents reflected a growing public distrust. Cynicism and suspicion, always substantial with regard to political matters, were spreading fast. And in large part they were being propelled by the government's own behavior. Beyond the corruption and violence, the discrepancy between the administration's promises of political reform and its actual conduct was increasingly difficult to conceal. In state and local elections, fraud continued unabated. Only 11 days after the U.S. House of Representatives approved the NAFTA, an especially blatant instance occurred in the Yucatán, where under the guise of a power blackout PRI operatives stole ballot boxes and altered tally sheets to deny the governorship to a popular opposition candidate.<sup>50</sup>

Nor was Salinas able to remain untouched. In February 1993, he made the egregious mistake of presiding over a PRI fundraising dinner at which more than two dozen of the country's wealthiest businessmen were asked to give \$25 million each to the party's 1994 election campaign. The meeting quickly became public knowledge, and a scandal ensued. Critics pointed out that PRI's campaign would likely cost over half a billion dollars. In contrast, in the United States, the Democratic Party and the Clinton campaign together had spent only \$96.5 million for the 1992 presidential race. Whereas individual contributions to U.S. parties could not exceed \$20,000 a year, one of the Mexican contributors- television mogul Emilio Azcarraga-admitted that he had grown so rich in recent years that he might give the PRI as much as \$70 million. This of course raised a telling issue: Most of the diners that evening had either profited from the purchase of privatized state companies, maintained business monopolies with official support, or been given special consideration by the government's NAFTA negotiators. To jaundiced observers, it looked as if Mexico's dominant party was being sold to the barons of private enterprise.<sup>51</sup>

After this it became much harder to take Salinas' professions of reform seriously. While the president soon recognized his misstep and announced his willingness to place a cap on individual political donations, few believed that he was willing to create a level playing field. The limit on donations seemed little more than a political maneuver designed to placate critics both in Mexico and the United States. (The latter were especially important, with the NAFTA negotiations about to enter a critical phase.) Many, if not most, Mexicans assumed that ways would be found to get around legal restrictions.<sup>52</sup>

Moreover, in the weeks that followed evidence grew that the "dinosaurs" (traditional *políticos*) within the PRI were staging a comeback or, at least, that the "yuppies" (*técnicos*) around Salinas had accepted the need for a "strategic truce" during the coming election year. This bode ill for the prospects of democratization, at least for the near future. At the same time, efforts to postpone the gubernatorial election in the Yucatán further undercut the government's credibility. (Even some PRI members charged that Salinas was trying to avoid the party's defeat.) Under such circumstances, it came as no surprise that

when the administration proposed new changes in the election laws the response was mostly hostile. This was the sixth electoral reform in 15 years. None of the previous efforts had done much to curb fraud, which remained as rampant as ever. Critics charged that these proposals would be no different: They were merely a pacifier to silence the opposition and please the gringos. Some, indeed, suggested that they amounted to an "electoral counterreform" which would only strengthen the regime.

In perspective, the measures were a first step, but little more.<sup>53</sup> They did place some restrictions on political fund-raising, reduce the government's control over electoral authorities, and give the opposition more access to the news media. In addition, the legislature approved constitutional amendments to assure the other parties greater representation in the Senate and ease a prohibition on the election to high office of Mexicans whose parents were foreign-born. The latter, however, was not scheduled to go into effect until the year 2000, which meant that the PAN's strongest potential candidate, Vicente Fox Quesada, would not be eligible in 1994. How meaningful the other measures would be was hard to say, since much depended on their enforcement. Certainly, the country's past record with regard to such matters was not encouraging.

On November 28--the same day as the fraud-drenched balloting in the Yucatán-Salinas engaged in the traditional *destape*, or "unveiling" of the PRI's presidential candidate. The ritual had more than a little symbolic significance. For all his assurances that Mexico was on the path of democratization, the decision had been made by distinctly undemocratic means. Neither party caucuses nor primary elections had been used; rather, the *dedazo*--figuratively, the pointing of the presidential finger at the chosen one. Clearly, Salinas had no intention of diluting the near-absolute power of the president to select his successor. The PRI, of course, had never lost an election at this level before, and so it had to be assumed that the nomination of Luis Donaldo Colosio, the minister of social development, would also be tantamount to his election. In Mexico, it seemed, the more things changed the more they remained the same.

**The Year of Living Dangerously (I):  
The Revolt in Chiapas and the Colosio Assassination.**

On January 1, 1994, a guerrilla group calling itself the Zapatista National Liberation Army (EZLN) seized four large towns and a number of smaller villages in the impoverished southern state of Chiapas. The assault took the Mexican government and the military completely by surprise. At the time, the army had less than 4,000 troops in Chiapas, and many of them were on leave for the holidays. For 24 hours, the rebels held San Cristóbal de las Casas—a city of 90,000 inhabitants—before retreating into the mountains. At a nearby military battalion headquarters, troops came under steady attack for 8 days. As the army assumed the offensive, casualties mounted. In the days that followed, at least 145 people, many of them noncombatants, were killed. Some villages were bombed, some captured guerrillas summarily executed.<sup>54</sup>

The violence traumatized the country. The government's initial reaction was to crack down hard and look for scapegoats. The uprising was blamed on radical priests and foreigners. Within a matter of days, however, President Salinas recognized that a more conciliatory approach would have to be adopted. The conflict was receiving intense public attention both in Mexico and the United States. Almost overnight, it had shattered the carefully-constructed image of Mexico as a modernizing society that was rapidly making the transition into the First World. Now the facade had been stripped away, revealing something far less attractive: poverty, backwardness, carnage, and instability.

This was not the message that Salinas wanted to send. After NAFTA, the U.S. Congress, the press and human rights groups were virtually hovering in anticipation of opportunities to test Mexico's claim to be a democracy. The revolt had been timed to coincide with the start-up of the free-trade agreement. Massive violence would not only frighten away investors and damage the prospects for economic recovery, but it also might create a political backlash that could destroy the NAFTA altogether. Moreover, this was an election year. Already there was growing criticism of the PRI and the government for their deathgrip on the political system, not to mention their apparent inability to halt the socioeconomic deterioration that was occurring. Many of the Zapatistas' demands spoke directly to these issues, and some of the public was rallying to their cause. It seemed unwise politically to reject negotiations. A peaceful solution was much to be preferred to a bloodbath.

Thus it was that on January 10th President Salinas did an about-face, firing his hard-line minister of the interior, Patrocinio González Garrido, a former governor of Chiapas. In González's place, the president appointed the distinguished jurist and human rights ombudsman, Jorge Carpizo MacGregor. At the same time, he asked Foreign Minister Manuel Camacho Solís, the popular ex-mayor of Mexico City, to lead an effort to reach a negotiated settlement of the conflict. In the days that followed, a unilateral ceasefire was announced and an amnesty law issued; the governor of Chiapas was replaced; and the controversial bishop of San Cristóbal de las Casas, Samuel Ruiz, was invited to join the mediation effort.<sup>55</sup>

Chiapas was a catalyst for the release of broader frustrations. Popular sentiment in favor of the rebels now grew rapidly. Their spokesman, a charismatic ski-masked commando calling himself Subcomandante Marcos, quickly took on the aura of a folk hero. Not everyone agreed with the rebels' actions or all of their demands, but a broad segment of Mexican society clearly believed that many of the latter were justified. Even the government acknowledged as much, and this lent their cause even greater legitimacy. Soon other groups began to take up the cry. In Mexico City, demonstrations were held and bombs set off. By February, dozens of human rights, political, religious, Indian and peasant organizations were expressing their "moral support" for the rebels' demands, and some were threatening to join the armed struggle. In Chiapas and elsewhere, campesinos were seizing hundreds of thousands of acres of agricultural land. From the state of Guerrero came reports of other guerrilla activity.<sup>56</sup>

Under growing pressure from the rebels, the opposition parties and even some elements within his own political circle, and anxious to keep the crisis from spreading, Salinas agreed to institute more reforms. In February, for the first time, the government accepted the idea that foreign observers be allowed at Mexican polling stations. The opposition was promised greater access to the media (especially television, which had virtually been a PRI monopoly). The Federal Electoral Institute was to be put under nonpartisan direction, and voter rolls subjected to more rapid and intense auditing. A new assistant attorney general specializing in electoral affairs would be empowered to prosecute cases of fraud. Laws would be revised to include new election-

related crimes. Campaign spending and fund raising would be limited. Efforts would be made to prevent government resources from being used for the benefit of any particular party.<sup>57</sup>

Meanwhile the PRI presidential candidate, Luis Donaldo Colosio, began to distance himself from Salinas, criticizing the latter's administration for its "shortcomings" and the "excessive concentration of power" in the office of the president. Colosio suggested that Salinas had focused on macroeconomic issues at the expense of the poor. The country's profound social problems, he proclaimed, could no longer be ignored. Democratization had to be effectuated. From now on the PRI would receive no special favors from the state.<sup>58</sup>

Whether-or to what extent-these various hints, promises and reforms would actually be carried out was, of course, an open question. Critics were quick to note that the United Nations was being asked to play only a very limited role in the August elections. It would not monitor the vote directly, merely evaluate the electoral system and help organize independent observers. Others noted that there would be less independent supervision at the local level, where the votes were first counted and most of the fraud occurred, than at the top, and that much would depend on who was actually appointed to the new supervisory bodies. Nor was the issue of the PRI's disproportionate access to campaign finance and the media adequately addressed. Cuauhtémoc Cárdenas, for one, pronounced the reforms unsatisfactory, dashing hopes that all of the major candidates would agree in advance to accept the election results.

The new reforms represented a significant improvement over those of the previous year. They could not, however, stop the violence that was tearing at the heart of Mexican society. On March 3d, several people were killed in a bizarre shoot-out between federal and state judicial police in Tijuana. The incident was triggered by the attempted arrest of Ismael Higuera Guerrero, a capo in the Arellano Félix drug ring. State and local authorities, it turned out, had been protecting the mafioso.<sup>59</sup> Moreover, a week later, in Mexico City, Alfredo Harp Helú, a billionaire confidant of President Salinas, was kidnapped and held for ransom. The following month, in an almost identical incident, another prominent businessman was seized. Together, these two events sparked a wave of fear among the captains of

finance and industry.<sup>60</sup>

But the greatest shock was yet to come. On March 23d, Colosio was gunned down at a campaign rally in Tijuana. This was the first assassination of a Mexican president or president-elect (which was what the PRI candidate was widely presumed to be, since elections had traditionally been considered a mere formality) since 1928. Coming on top of the killing of Cardinal Posadas, the revolt in Chiapas, the kidnapping of Harp Helú and the numerous other acts of violence that were consuming the country, the murder raised the specter of national disintegration. Mexicans were not just shocked; they were anguished. Some, indeed, were close to panic. What was happening? Where would it all lead?

Efforts by the authorities to reassure the public had precisely the opposite effect. The official investigation was marred by political interference and incompetence. Initially, it was suggested that the killing had been done by a single, deranged individual. By early April, however, six other suspects had been identified, and the administration's special prosecutor, Miguel Montes, was spinning theories of a grand conspiracy: Colosio had been shot twice, evidently from opposite directions. Videotapes seemed to show six men working in concert to block the victim's path, obstruct his bodyguards, and clear the way for the assassin to get a close shot. Yet, in spite of this, Salinas apparently rejected Montes' efforts to broaden the investigation.<sup>61</sup> After police discovered a bomb on a plane he was about to board, the prosecutor backed off and returned to the single killer hypothesis.<sup>62</sup>

Meanwhile, attorneys general came and went with blinding regularity (three new ones since the beginning of the year); a special commission named by the president to launch an independent investigation resigned when it failed to receive the necessary authority; and a Tijuana police chief, who had questioned the government's "lone assassin" theory in the process of conducting an investigation of his own, was shot and killed amid reports that someone had tampered with his evidence. These developments undercut the administration's credibility still further, fueling all sorts of rumors, including speculation that Colosio had been killed by reactionary elements in the PRI.<sup>63</sup>

By now the Mexican stock market was teetering. In an effort to restore confidence and stabilize the economy, the United States extended Mexico a \$6 billion line of credit. But even so, private investors were taking their money out of the stock market and putting it into dollars so fast that it threatened the stability of the peso. By mid-April, some \$6 billion of capital had fled the country.<sup>64</sup>

Nor was the economy the only thing that was hemorrhaging. Even before the assassination, the PRI was deeply divided. The selection of Colosio as the party's presidential candidate had alienated not only many of the "dinosaurs" but some modernizers as well. Most prominent among the latter was Manuel Camacho Solís. As mayor of Mexico City, Camacho had built a reputation as a political conciliator and reformer. But he was also enormously ambitious. He had expected to be chosen as Salinas' successor and had been furious when the latter had opted for Colosio. To placate him, the president had appointed him foreign minister and, when Chiapas exploded, special envoy to negotiate an end to the conflict.

But Chiapas had given Camacho a new lease on his political career. He had jumped into the fray with enthusiasm, quickly becoming, like his Zapatista counterpart Sub-comandante Marcos, a national celebrity. Together, the two men received so much attention that they completely overshadowed Colosio, who found it difficult to get his campaign off the ground. Along the way, Camacho began staking out an independent position, pressuring Salinas and Colosio to go further in their public commitments to reform than they might have otherwise have gone. In the course of his dialogue with the Zapatistas, Camacho allowed the agenda to be broadened to include basic issues of democracy and human rights that went far beyond the limited confines of Chiapas. At times, he even made veiled threats to enter the presidential race himself "if we fail to make advances in democracy, if instead of a peace agreement we have polarization...." Mexico's unity, he proclaimed, did not consist in "unity for the sake of a mere conglomerate" [read: the PRI]; rather, "we must create a nonexclusive unity" by "opening up the doors of institutions to the demands for justice of the Mexican society and people."<sup>65</sup>

While the prospect of a Camacho candidacy caught the imagination of millions of Mexicans, not everyone was pleased.

From Chiapas, Marcos warned that the Zapatistas would not allow themselves to be used as a political stepping stone. Within the Colosio camp, the outrage was palpable. A Camacho candidacy would split the PRI, undermining Colosio's chances and perhaps paving the way for a Cárdenas victory. Accordingly, pressure was applied on Camacho to withdraw from the political scene. After some wavering, the erstwhile candidate acquiesced, explaining that while he still wanted to be president the timing was wrong and the price too high. He could best serve the country by staying in Chiapas and negotiating a peace.<sup>66</sup>

Two days later, Colosio was assassinated. There was no small touch of irony here. The PRI was now without a presidential candidate. Yet, a Camacho candidacy no longer seemed feasible. His threat of a breakaway campaign had so alienated Colosio's followers that any attempt to succeed the fallen candidate might have shattered the party's unity beyond repair. (At the wake, Colosio's supporters even jeered Camacho's presence. When he reiterated his decision not to run, they responded with cheers and sustained applause.)<sup>67</sup> The problem was that the alternatives were not very appetizing. The choices were severely constrained by the constitution, which prohibited recent cabinet members from running. (They had to have resigned at least 6 months prior to the election.) The most likely prospect seemed to be the former budget and education minister, Ernesto Zedillo Ponce de León, who was cut from the same technocratic mold as Salinas and Colosio. But Zedillo was virtually unknown to party workers and the public. He was a colorless and somewhat dogmatic personality, with few political skills and no following. As Colosio's campaign manager, he had been accused of running a lackluster race. Aside from some big businessmen and foreign investors, few could generate much enthusiasm over his prospective candidacy.

The most obvious alternative was the PRI president, Fernando Ortiz Arana. Ortiz was the favorite of most of the party's bosses. He seemed likely to attract broader support than Zedillo. But he would have represented a sharp break from the highly trained professionals who had dominated the Salinas administration. He had no background in economics, was not a member of the president's inner circle, and it was by no means clear that he could be trusted to continue Salinas' program. In the days that followed the assassination, the various party factions began lobbying for their favorites, with Ortiz's

supporters openly pushing for their man. So intense was the infighting that at one point Ortiz Arana had to remind his followers (who had taken to booing Zedillo and even Salinas) that the PRI leadership had not authorized "any expression of support in favor of any person." The party, he said, was still in mourning for Colosio.<sup>68</sup>

In the end Salinas, after going through the motions of consulting with the party leadership, chose Zedillo. Neither the decision nor the process were popular. Many PRI leaders had been pressing for a primary election, or at least a secret vote among themselves. Salinas, however, was determined to preserve the powers of the presidential system. The result—rather than an opening up of the selection process or the introduction of an element of democracy—was another *dedazo*.<sup>69</sup> What remained to be seen was the effect this would have on the campaign. Would the new candidate be able to heal the party's wounds and rally the faithful to the cause?

Finally, there was Chiapas. Prior to the assassination, Camacho had appeared to be on the verge of a breakthrough. A draft peace agreement had been drawn up, addressing most of the rebels' socioeconomic demands. Government promises of roads, housing, schools, health clinics, and aid to farmers seemed likely to improve the daily lives of the populace. New laws would outlaw racial discrimination and recognize indigenous customs with regard to such matters as minor crimes, commerce, land use, and family relations. Except for those issues relating to Indians, however, the accords focused almost entirely on Chiapas. There were no tangible concessions on democratization and electoral reform on the national level, and even those on local political arrangements fell well short of the rebels' demands for regional autonomy. Demands that Article 27 be implemented as originally intended—to give land to all peasants who worked it—were rejected (though Chiapas was recognized as a special case and provision was made to continue redistribution there). As for NAFTA, the government promised to study its impact on Chiapas and consider job retraining programs, the creation of new industries, and other measures to cushion the impact of foreign competition.<sup>70</sup>

To most observers, these looked like generous concessions, and it was widely assumed that peace was at hand. But the rebels had more ambitious objectives. Moreover, past experience had

taught them to be wary of government promises. Commenting on the draft, Subcomandante Marcos dismissed it as a "bunch of papers." Whether the government would abide by it remained to be seen. In any case, he insisted, nothing had been settled. This was only a "dialogue." He had no authority to negotiate. The proposals would have to be submitted to the grassroots communities in the areas under EZLN control. Peace was still "far away."<sup>71</sup>

There matters stood at the time of Colosio's assassination. In the wake of the killing, the rebels put their forces on "red alert." A communique was issued accusing the government of preparing a "great military offensive." The talks were suspended. Subsequent efforts by the Zapatista leaders to submit the draft proposal to their followers proved to be cumbersome and time-consuming. As the weeks passed, Chiapas rapidly faded from the headlines, overshadowed by the assassination and the growing public focus on the political campaign.

But the Zapatistas had not disappeared. They still had their weapons, and they were in no hurry to surrender them. Though the ceasefire seemed to be holding, the situation remained volatile. A provocation by either side could ignite a new round of fighting, with massive bloodshed and the possible spread of war to other states. To make matters worse, a dangerous backlash was occurring. In the face of widespread land seizures, cattle rustling, town hall occupations, kidnappings and other such acts, some ranchers, PRI militants and other locals were already responding with violence. In Chiapas, force and illegality had always been the weapons of the powerful. Those who were newly threatened let it be known that if the military and local authorities could not maintain order, they would do so-by any means necessary.

### **The Year of Living Dangerously (II): The Elections.**

Something quite extraordinary was happening. A political system that for many decades had been one of the most stable in Latin America had become, seemingly overnight, volatile and unpredictable. One could no longer take the PRI's hegemony for granted. Nor could one make any assumptions with regard to the overall stability of the system. The future of the ruling party now precariously depended on a political amateur, Ernesto

Zedillo, whose lackluster personality and oratory made him a singularly unattractive presidential candidate.<sup>72</sup> It soon became apparent, moreover, that Zedillo would be forced to rely much more heavily on the PRI Old Guard than would have Colosio. In a campaign in which PRI corruption was a major issue, this proved to be an embarrassment: Among the first to jump on his bandwagon were several former PRI governors who had been forced to resign because of graft or electoral fraud.<sup>73</sup>

In the beginning, it was widely assumed that the most serious challenge would come from the PRD's Cárdenas. But once again, the conventional wisdom was mistaken. Cárdenas' campaign never got off the ground. Desperately short of funds, it was undermined from the beginning both by PRI efforts to portray the candidate as a dangerous radical, who would endanger the country's political stability and prosperity, and by some PRD militants whose penchant for civil disobedience only lent credence to the charges. On top of this, Cárdenas turned out to be just as ineffective a campaigner as Zedillo. In mid-May, he gave a disastrous performance in Mexico's first nationally televised presidential debate. Speaking in the same deadpan manner that he used at campaign rallies, Cárdenas "tranquiliz[ed] the audience with his characteristic low, monotone drone."

Almost overnight, he plunged to third place in the polls, behind both Zedillo and the PAN's Diego Fernández de Cevallos.<sup>74</sup>

Three days later, moreover, Cárdenas traveled to Chiapas, hoping to gain some favorable publicity by demonstrating solidarity with the rebels' cause and basking in Sub-comandante Marcos' charisma. Instead, he ran into a buzzsaw: Marcos publicly humiliated Cárdenas by making him stand in the sweltering heat for two hours before admitting his delegation into a Zapatista compound. When he was finally permitted to enter, he was subjected to a series of on-stage lectures by skeptical guerrilla commanders who told the dumbstruck candidate that "We are not going to listen to lies." Marcos himself questioned whether the PRD had anything new to offer, accusing the party of following the same economic policies and undemocratic practices as the PRI and the PAN. In the end, the "photo opportunity" turned into a nightmare and reinforced the disastrous impression of the debate.<sup>75</sup>

The real surprise of the campaign however, was Diego

Fernández. Prior to his televised appearance with Cárdenas and Zedillo, the PAN candidate had commanded less than 10 percent support in the polls. But his two wooden opponents provided him with perfect straight men for his acerbic sound bites. "In response to Zedillo's proud claim to have authored the blueprint for Salinas' economic program, Fernández quipped that "As far as we are concerned, your National Development Plan has produced 40 million poor people." (And again: "We know that you have been a good boy, with high grades, but in democracy we think that you don't make the grade.") It was a brilliant performance, and led to a wave of popular support—dubbed "Diego-mania"—that shot him into the lead in the opinion polls. For weeks thereafter, he and Zedillo ran neck-and-neck.<sup>76</sup>

Yet, this was an unlikely candidate. As head of the PAN's congressional delegation, Fernández had voted with the PRI on a wide range of legislation. He had publicly praised Salinas as the best president in Mexican history, crediting him with having reduced the public debt, brought inflation under control, and cut the bureaucracy. Indeed, given that the PAN's economic program had largely been co-opted by the PRI, some wondered what Fernández would do differently from Zedillo if he were elected. He was, moreover, a quixotic personality, capricious, abrasive and lacking in diplomatic skills. At a time when government officials were careful not to personalize their differences with Subcomandante Marcos, Fernández criticized him as "psychologically troubled." To him, most politicians were "cowards" and "liars." He was a militant Catholic in a country with a long history of church-state hostility. In sharp contrast to so many of the cosmopolitan technocrats around Salinas, he neither spoke English nor had been to Europe or other Latin American countries. Even his physical appearance set him apart: prior to entering the race, he had sported a thick, chest-length beard which, together with his piercing brown eyes, gave him the look of an Old Testament prophet.<sup>77</sup>

Actually, he was more of a magician than anything, and in July he performed his greatest feat of all: he disappeared. For weeks, he had limited his public appearances until, in early July, he virtually stopped campaigning. While his two rivals sped from rally to rally, Fernández sequestered himself in his office and hotel rooms, planning strategy with his advisers, giving interviews, and preparing for the anticipated second debate with

his opponents. When the latter failed to materialize—Zedillo being far too smart to subject himself to *that* again—Fernández was deprived of the one trump card he had left. As the weeks passed and he began slipping in the polls, an air of fatalism and passivity engulfed his campaign. Disillusioned supporters began to mutter that he had given up. By early August, the handwriting was on the wall.<sup>78</sup>

Meanwhile, political stability and democratization remained extremely fragile. In May, a top aide to the Mexican attorney general resigned, charging that the country had become a "narco-democracy." In a letter to President Salinas, he told of blocked investigations, raids not carried out, and traffickers set free. These claims were lent added weight by U.S. officials, who complained of a dramatic decline in Mexican antidrug efforts.<sup>79</sup> As if to accentuate the point, in June traffickers set off a car bomb in Guadalajara, killing five people and wounding others. About this same time, also, it was learned that the government was importing millions of dollars of riot-control equipment from the United States, obviously in anticipation of possible civil unrest. By early August, journalists counted some two dozen armored vehicles being unloaded at Veracruz, part of a shipment of 200 to 300 tons of war material. And another shipment was on the way.<sup>80</sup>

In June, too, it seemed that the credibility of the entire electoral process might be shattered when Salinas' interior minister, Jorge Carpizo MacGregor, resigned. During his months in office, Carpizo had become a symbol of the government's commitment to a fair election. He had brokered negotiations that had produced some of the Salinas administration's most important political reforms. Mexican officials had repeatedly invoked his name to convince foreign governments and investors that Mexico was serious about democratization. Now, citing the opposition of "many people in the most diverse sectors" of politics, Carpizo described himself as "disillusioned" and "indignant." His calls for fair elections had been met with "more lies, more calumnies and more hypocrisy."<sup>81</sup> Suddenly, Salinas' election strategy seemed terribly vulnerable.

This crisis, at least, was short-lived. After two days of closed-door talks with the president, Carpizo withdrew his resignation, and the election campaign continued apace. The same

could not be said, however, about the negotiations on Chiapas. On June 10, the Zapatistas finally responded to the government's peace proposal. For 3 months the rebels had been translating the document and circulating it among the isolated villages in the Lacandona rain forest. Now they announced that the terms had been rejected by an unbelievable 97.88 percent of their supporters. This ended any lingering hope that a settlement might be attained in time for the August elections. It also finished Camacho Solís as peace commissioner. In the wake of the rejection, public bickering broke out between Camacho and Zedillo, with the latter branding the negotiations a failure and blaming the commissioner for having raised unrealistic expectations. In turn, Camacho resigned in a huff, accusing the PRI candidate of undermining his efforts by, in effect, casting a vote of censure.<sup>82</sup> The peace process was now put on hold, as attention was focused on the approaching elections.

During these months, the rebels seemed increasingly out of touch with both their *chiapaneco* constituents and the Mexican public. A combination of government socioeconomic programs and improved public relations and the Zapatistas' own authoritarian and insensitive behavior were eroding their popular support.<sup>83</sup> They had now virtually abandoned their socioeconomic demands on behalf of Chiapas' impoverished Indians in favor of a sweeping appeal for democracy and liberty on a national basis. Terming the government's electoral reforms "incomplete," the insurgents renewed their demands for Salinas' resignation and the destruction of the one-party system. Urging "civil society" to play a leading role, they called for a National Democratic Convention to form a transitional government that would produce a new constitution and organize honest elections.<sup>84</sup>

The upshot was a kind of "Woodstock in the Jungle." In early August, thousands of supporters from all over Mexico flocked to Chiapas to attend the Zapatista-organized National Democratic Convention. Denouncing the PRI as the "common enemy of us all," the delegates vowed to engage in massive civil disobedience if the August 21st vote proved fraudulent. A long list of resolutions was approved on the peaceful transition to democracy and related themes. Addressing the audience, Subcomandante Marcos promised that the guerrillas would not resume the war unilaterally, but he also said that they would not surrender their arms and would be ready to use them if that was the will of

the Mexican people. "The resumption of war," he declared, "will not come from us.... For the EZLN there are no deadlines other than what peaceful and civil movements determine. We subordinate ourselves to them"<sup>85</sup>

The National Democratic Convention enabled the Zapatistas to momentarily regain the initiative that they had lost over the preceding months. It upstaged Zedillo and the PRI, injected the rebels directly into the election campaign, and increased the pressure on the government to guarantee the integrity of the balloting. This was, however, a fleeting triumph. Marcos' attempts to combine an image of reasonableness with scarcely veiled threats to resume the fighting—and, indeed spread it to other states—masked the fact that the EZLN was in a desperately weak position militarily. It had lost the critical advantage of surprise and was virtually surrounded by the much larger, better equipped and trained Mexican army. (The only escape route was over the Guatemalan border.) Nor did it seem likely that the Zapatistas could be saved by their supporters in the cities or in other rural areas. Armed groups where they existed (and most reports were little more than rumor), appeared to be too inconsequential to be much help.<sup>86</sup> Under the circumstances, a resumption of the offensive would have probably been suicidal.

It had been for precisely this reason that the Zapatistas had early on shifted from a military to a political strategy. Yet, it was by no means clear that they had the means of attaining their most ambitious political objectives. Their popular support had eroded. The only presidential candidate that seemed acceptable to them was Cárdenas, and he was far behind in the polls. August 21, it appeared, would be a moment of truth.

It was. On election day, the Mexican people voted for Ernesto Zedillo and the PRI. Zedillo won slightly over 50 percent of the vote—almost exactly what Salinas had officially received in 1988—but in contrast to that previous contest no opposition candidate was close enough to plausibly claim victory. (Fernández wound up with about 27 percent of the vote and Cárdenas 17 percent.) While there were numerous irregularities, most Mexican and foreign observers attested that the balloting was fairer than in the past.<sup>87</sup> Though Cárdenas claimed foul—for months he had been insisting that a gigantic fraud was being planned—he offered no proof, and relatively few of his followers joined him in the

post-election protest. In the end, the massive violence feared by so many Mexicans never materialized.

Elsewhere, the PRI swept to victory in election after election, winning solid majorities in both the Chamber of Deputies and Senate. In Baja California, and Chihuahua, where a competitive two-party system had seemed to be emerging, the PRI won the presidential and senatorial races by large margins, recapturing tens of thousands of voters who had been lost in previous gubernatorial contests. Though PAN governors remained in power in both states, that was probably only because there were no elections to that office. In only one of Mexico's 31 states did a gubernatorial race coincide with the presidential contest. There, in Chiapas, the PRI's Eduardo Robledo Rincón defeated the Zapatista-supported PRD candidate, Amado Avendaño Figueroa, in a campaign marred by fraud and violence. Whether these irregularities were enough to have altered the outcome was debatable,<sup>88</sup> but the EZLN refused to recognize Robledo's victory and threatened to take up arms if he were inaugurated.

In perspective the elections, though seriously flawed, were probably about as good as could have been expected. They were fair enough so that the country did not explode in massive violence, which was not an unimportant accomplishment. They were also a milestone—one of what were likely to be many—on the long road to democracy. On the whole, they probably reflected the will of the Mexican people fairly well. (Though clearly fraud had determined some congressional races.) In this year of crisis and insecurity, the public was simply not willing to risk further instability by turning power over to the opposition. As the saying goes. "Better the evil you know than the one you have yet to meet."

### **The Year of Living Dangerously (III): The Transition.**

In the months between the August elections and Zedillo's inauguration in early December, two developments occurred which seem destined to cast shadows over Mexico's future. The first was the assassination in late September of PRI Secretary General José Francisco Ruiz Massieu. This was the second major political assassination in a half year, and it rudely shattered the sense of relief that Mexicans felt at having avoided a violent

election. Clearly, the crisis was not over; the situation remained volatile. Investigators quickly established that the killer was a hired assassin and linked him to a larger conspiracy purportedly involving dissident elements in the PRI and narcotics traffickers. Salinas' economic and political reforms, it was said, had infuriated powerful individuals who had amassed huge fortunes by using the party's network of labor and peasant organizations and big-business connections to extort payoffs, secure government contracts, and open Mexican territory to drug cartels. The threat of reform within the PRI, the possibility that it might be cut loose from the government apparatus, and that more serious anti-corruption drives might be launched had been "tantamount to a declaration of war." Tens of billions of dollars were at stake annually.<sup>89</sup>

Ruiz Massieu was to have been the leader of the PRI caucus in the Chamber of Deputies. As such, he had been expected to play a crucial role in brokering the reforms planned by Zedillo. At the time of his assassination, he was already lining up party delegates behind the president-elect's program. Thus, his death appeared to be a message: Zedillo was being warned of what he could expect should he push ahead with his plans.

But Ruiz Massieu was also the brother of Deputy Attorney General Mario Ruiz Massieu, who in recent weeks had presided over several high-profile drug raids, including the arrest of members of the Tijuana-based cartel that was accused of having killed Cardinal Posadas and the powerful Gulf of Mexico cartel that controlled the cocaine flow along that coast. Mario Ruiz had publicly vowed to jail the country's largest drug lords by the time Salinas left office. Accordingly, government investigators speculated that the killing was also intended to "send Mario a message to back off." In a radio interview in early October, Ruiz declared that the "most solid hypothesis" was that the traffickers had "used a group of resentful or archaic politicians who don't want change or modernization of political life." They had financed the operation and planned the assassination of other reformers. Among those implicated were a former PRI leader in Tamaulipas and a current federal legislator from that same state. Ruiz indicated, however, that this was just the tip of the iceberg; he had reason to believe that other, higher figures were also involved.<sup>90</sup>

Ruiz never completed his investigation. In late November, he resigned, accusing his boss, Attorney General Humberto Benítez Treviño, PRI President Ignacio Pichardo Pegaza, and the party's newly installed secretary general, María de los Angeles Moreno, of obstructing the investigation. At the same time, he issued a report identifying 29 people as being involved in the assassination, almost all of whom had ties to Tamaulipas, where the Gulf cartel was based. Ruiz announced that he would send all the evidence he had gathered to an independent notary public to be safeguarded until Zedillo took office.<sup>91</sup>

Whether anything would come of the investigation remained to be seen. Ruiz himself was pessimistic. While he claimed that the documents he was turning over would enable the new authorities to pursue the case to its conclusion, he noted that the investigation was now entering a second phase involving "political decisions beyond my responsibility." He had confronted the PRI, but "the political class" within it "was stronger than the president's determination and overruled the president's call for justice and truth." Though he had identified those who had obstructed his efforts, they "will surely obtain a government position on December 1."<sup>92</sup>

There were, of course, denials. Señora de los Angeles Moreno accused Ruiz of conducting a "moral lynching"; she and Pichardo filed slander charges.<sup>93</sup> But whatever the truth—and we will return to this subject presently—there were larger issues at stake. One could not escape the impression that the struggle for the soul of Mexico was intensifying and had entered a new and potentially more violent stage.

During these weeks, too, Colosio's assassin was sentenced. While the presiding judge found the defendant solely responsible for the killing, millions of Mexicans continued to believe that the candidate had been the victim of a conspiracy and that rival politicians, drug lords or perhaps even the government itself had been behind the deed. Nor was this belief lessened by the fact that, the verdict notwithstanding, three members of Colosio's security detail who had been arrested on suspicion of being part of the hypothesized assassination plot were not released.<sup>94</sup>

The second major development during the transition took

place on November 8 when the voters of California overwhelmingly approved Proposition 187, which would deny education, welfare and non-emergency health care to illegal immigrants. The vote produced an immediate backlash in Mexico, where President Salinas denounced it, warning that the "voices of intolerance have returned." President-elect Zedillo cautioned that the measure could have dangerous political consequences if it led to the violation of the human rights of Mexicans living in the United States. Others were more blunt. In Mexico City's fashionable Zona Rosa, several dozen masked men ransacked a McDonald's restaurant in protest. Hundreds of demonstrators gathered outside the U.S. embassy shouting anti-American slogans, while others burned the U.S. flag in the Zócalo.<sup>95</sup>

This was a foreshadowing of what might be expected should the anti-immigrant/anti-Mexican fever spread to other states and to the U.S. Congress. It suggested that the U.S.-Mexican honeymoon that had accompanied NAFTA might presently give way to a more conflict-ridden relationship. Certainly, relations between the two countries would be closer than ever before. But contrary to the predictions of some NAFTA enthusiasts, closeness would not necessarily mean harmony.<sup>96</sup>

A couple of other noteworthy events occurred in November. Early in the month, the PRI held what it billed as its first democratically conducted convention, allowing 1,067 delegates to pick a standard-bearer for the hotly contested governorship of Jalisco. One of Zedillo's campaign promises had been to encourage the democratic selection of the party's candidates and leaders, and this provided an initial opportunity to test the seriousness of that intent. There had been previous efforts along these lines, including two under Salinas, but they had always been marred by charges of arm-twisting and vote-rigging. Unfortunately, this occasion was not much different. Despite strict delegate-selection rules designed to minimize fraud, there were complaints that state party leaders had erased the names of some members from the delegate-selection lists and pressured delegates to vote for certain candidates. Two weeks later, moreover, elections were held in Tabasco. The PRI gubernatorial candidate won, but the loser cried foul. As usual, the official party had grossly outspent the opposition and received the lion's share of media attention; irregularities had occurred in 7 of the state's 17 cities.<sup>97</sup>

More significant was something that did not happen. Despite the Zapatistas' threats to resume the war in Chiapas if the PRI governor-elect were inaugurated, Eduardo Robledo was sworn in on December 8th without a resurgence of the fighting. Instead, there was a bit of guerrilla theater. A few hours after Robledo's inauguration, a parallel ceremony was held for his opponent, Amado Avendaño, who promised to form an itinerant government modelled after Benito Juárez's government-in-hiding during the French intervention in Mexico. Wisely, federal and state authorities refrained from interfering. They seemed likely to continue tolerating his presence, at least for the near future. Indeed, both Robledo and Zedillo adopted conciliatory stances, with the former offering to resign if the Zapatistas turned in their weapons. (The new governor also appointed a member of the PDR secretary of government and an Indian head of the office of indigenous affairs.) For his part Zedillo, though unwilling to overturn the election results, pledged to continue honoring the ceasefire. "The only road to a just and worthy peace," he proclaimed, was "the road of negotiation."<sup>98</sup>

As of early December, then, the situation in Chiapas remained fragile, but not hopeless. Tensions were high and there was some violence—mostly between local landowners and peasants who had occupied their properties—but the president continued to extend the olive branch of negotiations, and there was some hope that the Zapatista leaders, given their obvious reluctance to resume the war, might eventually grasp it. Meanwhile, the new government was putting together plans for social and agrarian reforms designed to help defuse the conflict by co-opting the guerrillas' supporters.

**The Year of Living Dangerously (Conclusion):  
The Zedillo Presidency—a Beginning Both Promising and  
Disastrous.**

The question, of course, was where would Mexico go from here. During the campaign, Zedillo had pledged to deepen democratization by distancing the government from the PRI and curbing the powers of *presidencialismo*. The state's massive assistance to the party, he said, would be ended; the latter's candidate-selection process would be opened up by the introduction of primary elections; the *dedazo* would be abandoned;

more power would be given to Congress and to state and local authorities. In his inaugural address, moreover, he went even further, criticizing the Salinas administration for tolerating graft, lax law enforcement, and the neglect of the nation's poor. He promised "definitive" steps to democracy, including more efforts on behalf of electoral reform; a new fight against poverty; and wholesale reform of the corruption-ridden judicial system. Acknowledging the widespread dissatisfaction with the government's investigations of the Colosio and Ruiz Massieu assassinations, the new president pledged to increase efforts to solve those cases. Signalling his willingness to cooperate with the opposition, he brought a member of the PAN into his cabinet as attorney general, the first time ever that such a move had been made.<sup>99</sup>

Zedillo was saying all the right things, and he seemed poised to move fast. Four days after taking office, he launched his first major legislative initiative, a constitutional reform designed to overhaul the Supreme Court, strengthen the independence of the judiciary to achieve a better balance between the branches of government, and improve law enforcement by requiring more coordination between federal and state authorities and between officials from different states. The Supreme Court reform, especially, had potentially profound implications, giving that institution for the first time the power of judicial review.<sup>100</sup>

In spite of these hopeful signs doubts remained. Veteran observers had a sense of déjà vu. Promises had been made before, only to evaporate in the enervating ambience of Mexican politics. Salinas too had pledged to promote democratization—and then had largely forgotten it until the Zapatista revolt, the Colosio assassination and other pressures of this crisis-ridden election year forced him to address the issue more seriously.

During the second half of December, moreover, the bottom dropped out of the peso. For months, Mexico had been leaking hard currency. Between the end of 1993 and early November 1994, reserves had fallen from \$28 billion to \$17 billion.<sup>101</sup> When towards the end of the year the Zapatistas resurrected the specter of war, stock investors, unsure of Zedillo's ability to handle the threat, began exchanging their pesos for dollars. By mid-December, reserves had fallen as low as \$7 billion. On

December 19, Subcomandante Marcos announced that the rebels had broken out of the Mexican army's cordon and occupied 38 municipalities. The claim soon proved false. (There were some well-publicized demonstrations outside the Zapatista-controlled Lacandona, but these turned out to be more guerrilla theater.) Nevertheless, the economic impact was immediate: investors panicked. They began dumping their Mexican stocks and bonds en masse, prompting the government to spend billions more to maintain the currency's value. By the following day, it was clear that the cause was lost. The administration was forced to devalue and, when that failed to stem the flow, float the peso. But not even an \$18 billion international credit line (half of which came from the United States) and an Economic Emergency Plan to cut government spending and generate new revenue could halt the decline. By mid-January, the value of Mexican currency had dropped 40 percent, and the stock market had fallen 21 percent.

The collapse exposed the continuing fragility and volatility of the Mexican economy, with its overpriced peso and dependence on foreign investment, and raised serious questions about the future. Investor confidence lay shattered; the country was caught in another round of inflation and declining real wages; a recession seemed all but inevitable. The credibility of Mexico's leaders and their economic strategy had been badly damaged, and no one could say how long it would take to mend-if, indeed, it could be mended at all. When at year's end Popocatépetl, the long-dormant volcano southeast of Mexico City, began to spew huge clouds of steam and ash, forcing the evacuation of over 70,000 people, it seemed somehow symbolic-a fitting end to a bad year.

Unfortunately, the crisis did not abate. Instead, it dragged on throughout the winter, assuming new forms and presenting new challenges. International efforts to stabilize the Mexican economy proved slower and less effective than anticipated. As the peso and stock market continued to fall, along with investor confidence, the specter of a full-scale panic grew. Some \$28 billion in short-term Mexican treasury bills were scheduled to fall due in the months ahead, and it was clear that most would be redeemed. If Mexico was forced to default on its obligations, it would almost certainly plunge into a depression, with ominous implications for political and social stability. In turn, a Mexican default could trigger massive capital flight from other

Latin American and developing countries and come back to hit the United States, which depended on those areas for about 40 percent of its exports.

With this in mind, the Clinton administration and the international bankers stepped in. When his efforts to win approval for a \$40 billion loan guarantee package ran into heavy congressional opposition, President Clinton acted on his own authority to offer Mexico \$20 billion in U.S. Government short-term loans and loan guarantees from the federal Exchange Stabilization Fund. Along with some \$30 billion in commitments from the International Monetary Fund, the Bank for International Settlements and other sources, this brought the total global commitment to Mexico to around \$50 billion.

But even this did not halt the slide. Political turmoil continued, and by early March the peso had fallen to around eight to the dollar, less than half what it had been worth on December 20th. After weeks of indecision, the Mexican Government on March 8th announced a tough new economic stabilization plan, which promised even more pain for millions of hard-pressed Mexicans. This proved too much for business and labor, which declined to publicly support the program. Already there had been 250,000 layoffs in 1995, and official forecasts suggested there would be at least half-a-million more in March-April. The government now raised its estimate of the likely inflation for the year to 42 percent and predicted a 2 percent decline in the GDP. Thousands more businesses were expected to go bankrupt. Interest rates of 90 percent or higher on mortgages, credit cards and car loans were rapidly driving many families into insolvency. In addition, the country seemed headed for a full-scale banking crisis, as skyrocketing interest rates drove away new customers even as bad debts from existing customers threatened to bring down the entire system.<sup>102</sup>

The upshot was a tidal wave of public anger directed at those held to be responsible for the disaster—especially Carlos Salinas. While for the moment Mexicans seemed to accept Zedillo's protestations of innocence (he had, after all, inherited the problem from his predecessor), it seemed only a matter of time before he too became the target of public frustrations. Already, he was having to deny charges that the U.S. loan guarantees contained political conditions. More dangerous yet, for both

Zedillo and the United States, was a requirement that Mexican oil revenues be channelled through the Federal Reserve Bank of New York in order to guarantee repayment in the event of loan defaults.<sup>103</sup> Petroleum had long been one of the most sacred symbols of Mexican independence. Now, it appeared, the national patrimony was being sold to the highest bidder. The danger of a nationalistic backlash was palpable and seemed likely to haunt both countries for the foreseeable future.

Yet, even amid all this turmoil there were occasional rays of light. In mid-January, the government and the PRI reached an accord with the three most important opposition parties to conclude "definitive" reforms of federal and state election laws and guarantee the integrity of the coming (1995) elections. They also agreed privately to various other measures, most of which had been conceded in previous reforms but never or only partially delivered (e.g., campaign spending limits, equal access to the media, and the ending of government support for the PRI). Two new items, however, were especially noteworthy: it was agreed that (1) an election would be held for mayor or governor of Mexico City, a key political post that was currently filled by presidential appointment, and (2) new elections would be held in Chiapas and Tabasco.<sup>104</sup>

The agreement held out hope that the crisis might be brought under control. If the opposition could be drawn into the democratization process as constructive participants and their support obtained for the Economic Emergency Plan and the resolution of the turmoil in Chiapas and Tabasco, then the political and economic situations might stabilize. But the moment proved fleeting. In Tabasco, where PRD demonstrators were laying siege to the oil industry and the new state government, PRI stalwarts, infuriated by reports of Zedillo's concessions, took to the streets. Highways were blocked and hundreds of businesses shut down. PRD protestors were routed. Only after the government began to back away from its pledge of new elections did the situation begin to return to normal. But how long that would last remained to be seen. The PRD was not inclined to accept any backtracking, and it had shown itself capable of major disruption. Increasingly, Zedillo seemed trapped between irreconcilable forces, with his presidency and the country's future in the balance.

By early February, Zedillo was under growing pressure to resolve the crisis in Chiapas one way or another. He had become convinced that it was a "cancer" on his presidency, and this view was reinforced by hardliners both within and without the administration who urged him to use military force to end the rebellion. At the same time, he was increasingly frustrated by the Zapatistas' intransigence. The peace talks had gone nowhere. (There had been only one meeting.) The rebels had adopted a strategy of "neither war nor peace" in an effort to drag out the crisis and enhance their bargaining leverage. Meanwhile, the economy continued to spiral downward. Elections in the key state of Jalisco were fast approaching, and polls showed the PAN far in the lead. To make matters worse, the president was rapidly acquiring a serious image problem. His ineffectual handling of the economic crisis smacked of weakness and vacillation. He badly needed to assert his authority and prove that he was a strong leader, as Salinas had done in ordering the arrest of the powerful labor boss Joaquín Hernández Galicia ("*La Quina*") a few weeks after taking office.

And so on February 10th, the president went on the offensive. In a nationwide address, he complained that the Zapatistas had repeatedly rebuffed his overtures. Rather than negotiate seriously, he said, they were preparing to renew and spread the violence. He claimed that the government had uncovered the identity of Subcomandante Marcos--allegedly Rafael Sebastián Guillén Vicente, a Jesuit-trained former college professor from Tampico--and several other EZLN leaders, and that he had ordered the military to assist the Attorney General's office in arresting them.<sup>105</sup> The army immediately moved against the guerrillas, capturing two of their top leaders (but not Marcos). At the same time, the Guatemalan military headed towards the Mexican border to cut off any rebel retreat southward. But the Zapatistas remained defiant, and they were quickly supported by hundreds of thousands of people who took to the streets to protest the offensive. PRD President Porfirio Muñoz Ledo denounced the government for unilaterally breaking the truce. The previous month's accord on democratization, he proclaimed, had been shattered; demonstrations would continue until the crises in Chiapas and Tabasco were resolved "in a dignified fashion."<sup>106</sup>

If Zedillo had hoped that military action would strengthen his (and the PRI's) political position, he was soon disabused of

the notion. On February 13th, the PRI suffered its worst electoral defeat ever, as the PAN won landslide victories in gubernatorial and mayoral elections in Jalisco and Guadalajara, respectively. This was the first in a series of important state elections scheduled for the spring and summer of 1995. To many, it seemed a foreshadowing of things to come. The only consolation that the president and his advisors could take was that they would not have to go through the agony of more disruptive protests that another close, disputed PRI victory would have meant.

By now, the offensive in Chiapas was under growing counterattack from critics, who were convinced that it would lead to an embarrassing and bloody denouement. As charges of human rights abuses proliferated, they spread to the United States, where human rights activists and congressional critics urged the Clinton administration to intervene with Zedillo to stop the offensive.<sup>107</sup> Moreover, despite the obtainment of some \$50 billion in loan guarantees, the Mexican economy showed few signs of recovery. With investors still wary and the Mexican stock market depressed, pressure rapidly mounted on Zedillo to resolve the Chiapas crisis via negotiations rather than risk the continuing economic turmoil that more violence might offer.

Thus, on February 14th—the day after the elections in Jalisco—Zedillo reversed course once more. The military was ordered to halt all offensive action against the rebels; a new appeal for dialogue was issued. At the same time, Eduardo Robeldo, the new governor of Chiapas, stepped down, meeting the Zapatistas' most pressing demand. While this concession could not in itself resolve the crisis, it at least held out the possibility of a negotiated solution. Unfortunately, it also reinforced the impression of presidential weakness and vacillation: "Washington and Wall Street have a clear sense that there is no leadership in Mexico," lamented a noted Mexican economist. "I am totally confused by all of these events," remarked a legislator. "Zedillo seems very erratic in his decisions not just in Chiapas but in everything he's doing."<sup>108</sup> To all too many observers, both Mexican and foreign, the president appeared to be twisting in the wind, swaying this way and that with every new gust that came his way.

Even so, Zedillo sometimes showed signs of real courage and

steadfastness. During these weeks, he spoke candidly to the Mexican people about the depth of the economic crisis and the need for sacrifice. He also promised to follow through on his pledge to weed out corruption and pursue the Colosio, Ruiz Massieu, and Posadas assassination cases wherever the evidence might lead. "No one," he insisted, was "above the law."<sup>109</sup> Indeed, in late February Attorney General Antonio Lozano announced that two more suspects had been arrested and charged with involvement in the Colosio case. New videotape evidence, it was said, "clearly revealed collusion between several people in the killing." There had been a second gunman; evidence had been tampered with and mishandled. Salinas administration officials had either bungled the previous investigations or engaged in a deliberate cover up. In the process, important witnesses had been ignored and key suspects allowed to go free. About the same time, moreover, the original prosecutor, Miguel Montes, accused Salinas himself of having obstructed the investigation by rejecting Montes' efforts to broaden the probe by pursuing the possibility of a conspiracy.<sup>110</sup>

A few days later, the current prosecutor Pablo Chapa, disclosed that Salinas' older brother, Raúl, had been arrested in connection with the Ruiz Massieu assassination. According to Chapa, Raúl had been the "intellectual co-author" of the killing and had facilitated the escape of the renegade legislator, Manuel Muñoz, who was thought to have done the actual planning. Subsequently, the prosecutor went even further, suggesting darkly that both Salinas brothers might have had financial or political reasons for eliminating Ruiz.<sup>111</sup> Still others suggested that the killing may have been due to personal animosity between Raúl Salinas and Ruiz Massieu.

So ended the political career of Carlos Salinas de Gortari. Only a few weeks earlier, he had been widely popular; indeed, many had considered him one of Mexico's greatest presidents. Now his reputation lay shattered, ravaged first by public disclosure of his responsibility for the economic crisis, then by these more ominous hints and revelations. While he tried to go public in his own defense-denying that had obstructed the Colosio investigation, attacking Zedillo for mismanaging the economic crisis, and even engaging in a bizarre, short-lived hunger strike-it was no use. By now, most Mexicans were thoroughly disillusioned with him. His former protégé had abandoned him. In

truth, Salinas provided the new president with a convenient foil to deflect popular outrage and establish his own credentials for leadership and integrity. During these weeks, Zedillo and his aides wasted few opportunities to remind the public that the economic crisis was Salinas' doing. He, Zedillo, had tried to warn Salinas of the need to devalue, but the latter had been too busy running for the presidency of the World Trade Organization to pay heed.<sup>112</sup> In the short run, at least, the tactic worked. The president's standing in the polls soared.

These episodes also had larger significance: they violated the unwritten rules of the Mexican political game, whereby ex-presidents did not criticize sitting presidents and in return received, along with their relatives, impunity for their own previous sins. Beyond this, one could not but wonder where all this was going. Zedillo had now publicly committed himself to real investigations. If he backed off, he would lose what credibility he had gained and his presidential image, already weak, would be damaged even further. On the other hand, if he followed through it meant threatening some of the most corrupt and violent elements in the system, and that would be dangerous. One could not escape the impression that Zedillo was now placing his own life in jeopardy.

As if all this were not enough, in early March Mario Ruiz Massieu was arrested at Newark airport, trying to flee Mexico one step ahead of the law. Mexican authorities quickly charged the former prosecutor with having intimidated witnesses and falsified evidence in his investigation of his brother's assassination. Apparently, he had been trying to protect Raúl Salinas. Subsequently, it was disclosed that some \$10 million had been found in various U.S. bank accounts under Ruiz's name. Where all this money had come from was unclear, but the most obvious hypotheses (aside from kickbacks from federal police commanders and the numerous other opportunities for graft associated with his former office) were drug traffickers and/or elements who wanted to keep Raúl Salinas' name out of the investigation.<sup>113</sup>

A few days later, Carlos Salinas left Mexico for the United States and virtual exile. While both he and Zedillo denied that the latter had asked the ex-president to leave, various Mexican officials confirmed that this had indeed been the case. How this would affect the investigation into the Ruiz Massieu

assassination remained to be seen. When he was in office, Mario Ruiz had repeatedly briefed Salinas, and it seemed unlikely that the latter had been unaware of his brother's involvement. While there had allegedly been no deal made in exchange for Salinas' departure, several officials noted that, given the extreme sensitivity of the matter, they would proceed against the former president only if they were certain of his complicity.<sup>114</sup>

The fall of the families Salinas and Ruiz Massieu underscored yet another dilemma facing Mexico and the United States: how in today's Mexico could one tell the good guys from the bad? For years, U.S. policy had been predicated on the assumption that Carlos Salinas and the *técnicos* represented the forces of virtue. Now, it appeared, the "modernizers" were just as prone to dishonesty as the "dinosaurs." By the same token, these developments called into question the integrity and reliability of any government investigation into the corruption and violence that were plaguing the country. For the moment, it was in President Zedillo's political interest to reopen the Colosio, Ruiz Massieu and Posadas Ocampo investigations. But whether truth and justice would ultimately triumph was still very much in doubt.

It remained unclear how far Zedillo would be willing to go beyond those relatively limited cases to, in the words of one scholar, "take on the kingpins of the political mafia. . .and their associates in the booming drug cartels." In perspective, the arrest of Raúl Salinas was of more symbolic significance than anything. The most important political rule—the taboo against indicting current and former cabinet members and presidents—remains intact. Yet, only by going after people like the notoriously corrupt former minister of agriculture Carlos Hank González and, yes, Carlos Salinas himself, if the evidence so dictates, "can impunity be ended and the rule of law made a reality."<sup>115</sup>

## **CONCLUSION**

And so once again we are faced with the question: Whither Mexico? Obviously, much has changed since the heady days of the NAFTA debate, when treaty supporters often waxed euphoric over the prospect of a modern Mexico, vaulting into the 21st century. The preceding pages tell a tale of dashed hopes and betrayed

ideals, of corruption, violence, incompetence and instability. On the surface, at least, Mexico does not look like a very reliable partner for the United States as the two countries move hand-in-hand toward the next millenium. One cannot but recall the old dictum of realpolitik that you should never ally with weakness lest you debilitate your alliance rather than strengthen it. This has even been tacitly conceded by some U.S. officials who now admit that Mexico's economic troubles have played a significant role in the precipitous decline of the dollar. In the words of one senior official, it is a "horribly difficult situation, and there are a lot of reasons to wonder if this [the Mexican economic recovery program] is going to work." "At this point," however, "we are in so deep that there is no turning back."<sup>116</sup>

One recalls similar refrains as the United States trudged step by step ever deeper into Vietnam. We are already committed. If we just increase our investment one more time, we will turn things around. If we quit now, everything that has been done will have been wasted. The danger, of course, is that if we—and, much more importantly, the Mexicans—cannot halt the slide we may end up throwing good money after bad and lose everything.<sup>117</sup>

"The fundamental problem," as Jeff Faux has observed, "is that the Mexican political economy is dominated by an oligarchy that uses the country's credit to borrow from foreigners and enrich itself, and then periodically demands austerity from the rest of the country on the grounds that it has to pay off the foreign debt." The risk is that the "bailout will perpetuate that system, virtually assuring that we will have another crisis in the future."<sup>118</sup> Added to this, moreover, are cultural norms that impede economic and political transformation. Corruption and inefficiency are deeply engrained in the sociopolitical structure, as is a tendency to place immediate gratification/consumption over savings/ investment. The latter problem became graphically clear this Easter when—economic crisis notwithstanding—Mexican airlines offered consumers special fly-now, pay-later deals strikingly similar to what the banks had offered prospective credit card holders (approval virtually guaranteed) last year. Thus, even as hundreds of thousands of workers were being laid off, many were spending their severance paychecks on vacations.<sup>119</sup>

This raises the question of whether anything fundamental has

changed. Specifically, what are the prospects for the future? And what should the United States be doing to protect itself from the fallout of this and possible future crises? Can we help Mexico make the transition to more stable political and socioeconomic arrangements? Or are we in a no-win situation, with only a very limited ability to promote such change and perhaps an even greater potential for doing precisely the opposite? Put simply, could U.S. policy inadvertently foster the further destabilization of Mexico? If so, with what consequences? And what are the implications for the U.S. Army? These are among the issues that will be addressed in the second part of this report.

#### ENDNOTES

1. *Proceso*, No. 723, September 10, 1990, p. 53.

2. The literature of Mexico's "alternative political futures" is extensive, but see especially Wayne A. Cornelius, Judith Gentleman and Peter H. Smith, eds., *Mexico's Alternative Political Futures*, San Diego, CA: Center for U.S.-Mexican Studies, University of California, San Diego, 1989; Riordan Roett, ed., *Political and Economic Liberalization in Mexico: At a Critical Juncture?* Boulder, CO: Lynne Rienner Publishers, 1993; Peter H. Smith, "The Political Impact of Free Trade on Mexico," *Journal of Interamerican Studies and World Affairs*, Vol. 34, No. 1, Spring 1992, pp. 1-25; Dan A. Cothran, *Political Stability and Democracy in Mexico: The "Perfect Dictatorship"?* Westport, CT: Praeger, 1994; and Donald E. Schulz and Edward J. Williams, eds., *Mexico Faces the 21st Century*, Westport, CT: Greenwood Publishing Group, 1995.

3. See especially Juan Molinar Horcasitas, *El Tiempo de la Legitimidad: Elecciones, Autoritarismo y Democracia en México*, Mexico City: Cal y Arena, 1991. It is often assumed that the PRI is the ruling elite. This is not quite right. The PRI is not the equivalent of the Communist Party of the Soviet Union, which dominated the Soviet government. Rather, it is more of an appendage of the elite, which is primarily associated with the government.

4. Elena Poniatowska, *La Noche de Tlatelolco*, Mexico City: Ediciones ERA, 1971. On the long-range political significance of

these events, see Roderic A. Camp, "Political Modernization in Mexico: Through a Looking Glass," in Jaime E. Rodríguez O., ed., *The Evolution of the Mexican Political System*, Wilmington, DE: SR Books, 1993, pp. 245-262.

5. Miguel Basáñez, *El Pulso de los Sexenios: 20 Años de Crisis en México*, Mexico City: Universidad de Guadalajara, 1991.

6. John J. Bailey, *Governing Mexico: The Statecraft of Crisis Management*, New York, NY: St. Martin's Press, 1988, p. 3.

7. Instituto Nacional de Estadísticas, Geografía e Informática, *Estadísticas Históricas de México*, Mexico City: INEGI, 1986, p. 311.

8. International Bank for Reconstruction and Development, *World Tables*, 1994, Baltimore, MD: The Johns Hopkins University Press, 1992, pp. 4-5; *World of Information, The Americas Review, 1991/92*, Edison, NJ: Hunter Publishing, Inc., 1991, p. 75.

9. The J-curve is the sudden gap between expectations and reality produced by a cyclical economic downturn. The larger the gap, the greater the loss of confidence in the regime and the more likely the resort to revolutionary violence. See James C. Davies, "Toward a Theory of Revolution," *American Sociological Review*, Vol. 27, No. 1, February 1962, pp. 5-19. On "relative deprivation," see Ted Robert Gurr, *Why Men Rebel*, Princeton, NJ: Princeton University Press, 1970.

10. For a more detailed treatment of this phenomenon, see Joe Foweraker and Ann L. Craig, *Popular Movements and Political Change in Mexico*, Boulder, CO: Lynne Rienner, 1990.

11. See, e.g., Stephanie R. Golob, "'Making Possible What Is Necessary'; Pedro Aspe, the Salinas Team, and the Next Mexican 'Miracle,'" paper presented at the 18th International Congress of the Latin American Studies Association, March 10-12, 1994.

12. Camp, "Political Modernization," p. 249.

13. One of the most blatant cases was that of Joaquín Hernández Galicia, better known as *La Quina*, who had headed the oil worker's union for decades. Hernández was openly sympathetic

to Cárdenas and was widely believed to have helped finance his campaign. Whatever the actual case, Cárdenas received more votes than Salinas in most oil-producing areas. Philip L. Russell, *Mexico Under Salinas*, Austin, TX: Mexico Resource Center, 1994, p. 10.

14. Only in 1994 was this fraud "officially" acknowledged in a statement by Arturo Nuñez, the head of the Federal Electoral Institute, that unidentified officials had deliberately "crashed the system." Tod Robberson, "Salinas' Election Still at Issue as New Vote Nears," *The Washington Post*, July 27, 1994.

15. Andrew Reding, "Mexico: The Crumbling of the 'Perfect Dictatorship,'" *World Policy Journal*, Vol. 8, No. 2, Spring 1991, p. 258; Peter H. Smith, "The 1988 Presidential Succession in Historical Perspective," in Cornelius, Gentleman, and Smith, eds., *Mexico's Alternative Political Futures*, pp. 407-409.

16. Carlos Salinas de Gortari, *México, Por un Futuro Mejor: Discursos de Precampaña, 4 de Octubre - 6 de Noviembre 1987*, Mexico City: Partido Revolucionario Institucional, 1987, p. 144.

17. Ironically, the PRI's support came largely from among those sectors of the populace which had received the least satisfaction of their material needs, while its weakest support came from those who had benefitted the most from the government's development strategy. Tonatiuh Guillén López, "The Social Bases of the PRI," in Cornelius, Gentleman and Smith, eds., *Mexico's Alternative Political Futures*, p. 251.

18. *Ibid.*, pp. 255ff.

19. Interview with Tim Padgett, *Newsweek*, December 3, 1990.

20. Reding, "Mexico: The Crumbling of the 'Perfect Dictatorship,'" pp. 259-261; Stephen D. Morris, "Political Reformism in Mexico: Salinas at the Brink," *Journal of Interamerican Studies and World Affairs*, Vol. 34, No. 1, Spring 1992, pp. 36, 43-44.

21. The most important restriction on the president's power is that he cannot succeed himself. He can, however, determine his successor through his ability to designate the PRI's presidential

candidate. For a detailed discussion, see Luis Javier Garrido, "The Crisis of *Presidencialismo*," in Cornelius, Gentleman and Smith, eds., *Mexico's Alternative Political Futures*, pp. 417-434.

22. For a treatment of this growing centralization and its impact on local elections, including the use of various techniques of fraud and co-optation, see Jorge Alonso and Silvia Gómez Tagle, *Insurgencia Democrática: las Elecciones Locales*, Mexico City: Universidad de Guadalajara, 1991.

23. The arrest of Joaquín Hernández Galicia, *La Quina*, was the most dramatic case, but whether this was done to fight corruption or in retaliation for his lack of support during the election campaign is anybody's guess. *La Quina's* successor also had a reputation for graft. See Russell, *Mexico Under Salinas*, p. 11.

24. Reding, "Mexico," pp. 268-269, 273-274; Morris, "Political Reformism," pp. 31-32, 41. On relations between the government and labor, see María Lorena Cook, "State-Labor Relations in Mexico: Old Tendencies and New Trends," in Donald E. Schulz and Edward J. Williams, eds., *Mexico Faces the 21st Century*, Westport, CT: Greenwood Press, forthcoming 1995.

25. Al Pérez, "Free Trade with Mexico and U.S. National Security," in *Ibid.*

26. "Mexican Paper Says Member of Colosio's Security Detail Held," *The Miami Herald*, March 29, 1994; *America's Watch, Mexico*, Vol. 5, No. 10, October 1993; Reding, "Mexico," pp. 66-68; Morris, "Political Reformism," p. 38.

27. Henry Kissinger, "Mexico's Moment of Truth," *The New York Times*, April 5, 1994.

28. On PRONASOL, see especially the work of Denise Dresser, *Neopopulist Solutions to Neoliberal Problems*, San Diego, CA: University of California, Center for U.S.-Mexican Studies, 1991; and "Bringing the Poor Back In: National Solidarity as a Strategy of Regime Legitimation," in Wayne A. Cornelius, Ann L. Craig, and Jonathan Fox, eds., *Transforming State-Society Relations in Mexico: The National Solidarity Strategy*, San Diego, CA: University of California, Center for U.S.-Mexican Studies, 1994,

pp. 143-166. The other essays in the latter are also excellent, as in Paul Lawrence Haber's "The Art and Implications of Political Restructuring in Mexico: The Case of Urban Popular Movements," paper presented at the 17th International Congress of the Latin American Studies Association, September 24-27, 1992.

29. Forecast International/DMS, "Mexico (Data)," *DMS Market Intelligence Reports: Latin America and Australasia*, June 1994, p. 4; International Bank for Reconstruction and Development, *World Tables 1994*, Baltimore, MD: The Johns Hopkins University Press, 1993, p. 9; Political Risk Services, "Mexico Update," December 1, 1992.

30. Tod Robberson, "For Mexico, A Revolution on the Line," *The Washington Post*, November 11, 1993.

31. A detailed analysis of the "decline of neocardenismo" is not possible here. Those desiring such an account may wish to consult Philip Russell, "The Decline of Neocardenismo," paper presented at the 17th International Congress of the Latin American Studies Association, September 24-27, 1992.

32. Morris, "Political Reformism," p. 40. For a detailed analysis of the PRI's electoral recovery, see Silvia Gómez Tagle, "Mexico 1988-1991: Violence, Negotiation and Elections" and "Mexico 1991: Democratic Perspectives and Middle-Term Elections," papers presented at the 17th International Congress of the Latin American Studies Association, September 24-27, 1992.

33. Forecast International/DMS, "Mexico (Data)," p. 4; Christopher Whalen, "False Images of Mexico," *The Washington Post*, April 19, 1994; Andrés Oppenheimer, "Crises Battering Mexico's Economy," *The Miami Herald*, April 18, 1994.

34. *Ejidors* are groups of 20 or more peasants who had received and worked lands redistributed during the agrarian reform. Until 1992, their right to sell, lease or rent these properties had been severely restricted.

35. Billie R. DeWalt, Martha N. Rees, and Arthur D. Murphy, *The End of Agrarian Reform in Mexico: Past Lessons, Future Prospects*, San Diego, CA: University of California, Center for U.S.-Mexican Studies, 1994, pp. 1-2.

36. Official government statistics, as reported in *El Proceso*, April 11, 1994.

37. Alain de Janvry and Elizabeth Sadoulet, "NAFTA and Mexico's Corn Producers," paper presented at the 18th International Studies Association, March 10-12, 1994, p. 3.

38. Interview, August 23, 1993.

39. On the practical obstacles to massive, rapid transfers of *ejido* lands, see Wayne A. Cornelius, "The Politics and Economics of Reforming the *Ejido* Sector in Mexico: An Overview and Research Agenda," *LASA Forum*, Vol. 28, No. 3, Fall 1992, p. 7. Along these same lines, see de Janvry and Sadoulet, "NAFTA and Mexico's Corn Producers," p. 3; DeWalt, Rees and Murphy, "The End of Agrarian Reform," p. 54; Lynn Stephen, *Viva Zapata! Generation, Gender, and Historical Consciousness in the Reception of Ejido Reform in Oaxaca*, San Diego, CA: University of California, Center for U.S.-Mexican Studies, 1994, p. 34; and Wayne Cornelius and Philip L. Martin, *The Uncertain Connection: Free Trade and Mexico-U.S. Migration*, San Diego, CA: Center for U.S. Mexican Studies, University of California, 1993.

40. Stephen, *Viva Zapata!*, p. 34; Neil Harvey, *Rebellion in Chiapas: Rural Reforms, Campesino Radicalism, and the Limits to Salinismo*, San Diego, CA: University of California, Center for U.S.-Mexican Studies, 1994, pp. 26-27; Helga Baitenmann, "'Lo Que No Procede' The Reforms to Article 27 and the Coffee Sector in Central Veracruz," paper presented at the 18th International Congress of the Latin American Studies Association, March 10-12, 1994, pp. 11-12, 22.

41. Luis Hernández, "The New Mayan War," *NACLA Report on the Americas*, Vol. 27, No. 5, March/April 1994, p. 9. See also Harvey, *Rebellion in Chiapas*, pp. 10-11, 18; and Stephen J. Wager and Donald E. Schulz, "The Awakening: The Zapatista Revolt and Its Implications for Civil-Military Relations and the Future of Mexico," *Journal of Interamerican Studies and World Affairs*, forthcoming 1995.

42. Harvey, *Rebellion in Chiapas*, pp. 18-20.

43. Anthony DePalma, "In Mexico's Bitter South, Coffee Now Blights Lives," *The New York Times*, February 2, 1994.

44. Tod Robberson, "Mexican Drug Dealers Cut Pervasive Path," *The Washington Post*, May 31, 1993; also María Celia Toro, "Are Mexican Drug Control Policies Exacerbating or Addressing the Country's Drug Problem?," paper presented at the 17th International Congress of the Latin American Studies Association, September 24-27, 1992, pp. 33, 44-46.

45. Peter Reuter and David Ronfeldt, "Quest for Integrity: The Mexican-U.S. Drug Issue in the 1980s," *Journal of Interamerican Studies and World Affairs*, Vol. 34, No. 3, Fall 1992, p. 91.

46. Tim Weiner and Tim Golden, "Free-Trade Treaty May Widen Traffic in Drugs, U.S. Says," *The New York Times*, May 24, 1993.

47. Toro, "Are Mexican Drug Control Policies Exacerbating or Addressing the Country's Drug Problems?," pp. 48-50; Tod Robberson, "Drug Crime Spreading in Mexico," *The Washington Post*, May 26, 1993; Jim Silver, "Mexicans Fear Drug Wars Could Put Them on Colombia's Path," *The Miami Herald*, June 11, 1993. The number of drug cartels is impossible to calculate with any precision. Peter Lupsha has estimated that there are 11 to 14 major organizations and many more minor ones. See "Mexican Narco-Trafficking: The Dark Side of NAFTA," *Encuentros*, Vol. 1, No. 1, Fall 1994, p. 10. Others, however, consider only the Gulf cartel, the Tijuana cartel, and the Juarez cartel to be "majors." Douglas Farah, "Drug Lords' Influence Pervading Mexico," *The Washington Post*, April 4, 1995.

48. Robberson, "Mexican Drug Dealers."

49. Andrés Oppenheimer, "Mexico Lacks Credibility to Win Drug War," *The Miami Herald*, August 16, 1993.

50. Andrew Reding, "Chiapas Is Mexico: The Imperative of Political Reform," *World Policy Journal*, Vol. 11, No. 1, Spring 1994, p. 12.

51. Tim Golden, "Mexican Leader Asks Executives to Give Party \$25 Million Each," *The New York Times*, March 9, 1993;

Andrés Oppenheimer, "Thanks a Million! Mexican Barons Give Big to Ruling Party," *The Miami Herald*, March 4, 1993.

52. For instance, PRI supporters could still spend unlimited amounts of money on lottery tickets, credit cards, and other fund raising schemes. On these and other loopholes, see Tim Golden, "Salinas Endorses Party Gift Limits," *The New York Times*, March 10, 1993; and "Salinas Attacked on Election Bills," *Ibid.*, September 14, 1993.

53. See, especially, the Carter Center's final report on *Electoral Reform in Mexico*, November 1993.

54. On human rights violations on both sides, see Human Rights Watch/Americas, "The New Year's Rebellion: Violations of Human Rights and Humanitarian Law During the Armed Revolt in Chiapas, Mexico," *Mexico*, Vol. 6, No. 3, March 1, 1994; and Physicians for Human Rights and Human Rights Watch/Americas, *Waiting for Justice in Chiapas*, Boston, MA: Physicians for Human Rights, December 1994. In recent months, several useful studies have appeared on the origins and development of the Zapatista revolt. See, especially, George A. Collier with Elizabeth Lowery Quaratiello, *Basta! Land and the Zapatista Rebellion in Chiapas*, Oakland, CA: The Institute for Food and Development Policy, 1994; John Ross, *Rebellion from the Roots: Indian Uprising in Chiapas*, Monroe, ME: Common Courage Press, 1995; Alma Guillermoprieto, "The Shadow War," *New York Review of Books*, Vol. 42, No. 4, March 2, 1995, pp. 34-43; and Ana Carrigan, "Chiapas: The First Post-Modern Revolution," *Fletcher Forum*, Vol. 19 No. 1, Winter/Spring 1995, pp. 71-98. In addition, Wager and Schulz, "The Awakening," and a book by Philip L. Russell are forthcoming.

55. This last in accordance with rebel demands. Many in the Chiapas power elite considered Ruiz a *zapatista*.

56. See, e.g., *Foreign Broadcast Information Service (FBIS), Daily Report: Latin America*, February 10, 1994.

57. Tod Robberson, "Rebellion Spurs Mexico to Plan Major Reforms," *The Washington Post*, February 28, 1994; Andrés Oppenheimer, "Mexico May Let Foreign Observers Monitor Presidential Vote," *The Miami Herald*, March 2, 1994; and Tim Golden, "Mexico Invites U.N. to Attend Election to Observe the

Observers," *The New York Times*, May 13, 1994.

58. Andrés Oppenheimer, "Colosio Had Vowed to Make Mexico More Democratic," *The Miami Herald*, March 25, 1994; *FBIS, Daily Report: Latin America*, March 8 and 14, 1994.

59. *FBIS, Daily Report: Latin America*, March 9, 1994.

60. They were not, however, unusual. *Proceso* calculated that more than 2,000 kidnappings had occurred since Salinas had been in office. Jane Bussey, "From Kidnappings to Car Thefts, Mexican Crime on Rise," *The Miami Herald*, May 11, 1994.

61. According to Montes. See Tod Robberson, "Salinas Fell Out of Favor Well Before Brother's Arrest," *The Washington Post*, March 1, 1995; Tim Golden, "Nervous and Skeptical, Mexicans See Dark Plots," *The New York Times*, March 27, 1994.

62. Tod Robberson, "Elite's Role Is Recurrent Issue in Mexican Crimes, Crises," *The Washington Post*, March 12, 1995.

63. Tod Robberson, "New Murder in Mexico Deepens Assassination Mystery," *The Washington Post*, May 1, 1994; and "Mexico's Probes Consuming Attorneys General," *Ibid.*, June 1, 1994. The most recent theory/speculation is that the killing of the Tijuana police chief, José Benítez, was unrelated to the Colosio assassination. The prime suspects now seem to be narcotraffickers.

64. *FBIS, Daily Report: Latin America*, April 19, 1994; Anthony DePalma, "A Seesaw for Mexican Stocks," *The New York Times*, March 26, 1994.

65. *FBIS, Daily Report: Latin America*, March 16, 1994; Tim Golden, "Mexico Mediator Hints at Renegade Bid for President," *The New York Times*, March 12, 1994.

66. *FBIS, Daily Report: Latin America*, March 16, 21 and 23, 1994.

67. *Ibid.*, March 25, 1994; Tod Robberson, "Mexicans Seek New Candidates," *The Washington Post*, March 25, 1994.

68. Guy Gugliotta, "At Crucial Turn, Mexican Party Proves Indecisive," *The Washington Post*, March 28, 1994; Tim Golden, "Mexican Old Guard Fights Salinas on a New Candidate," *The New York Times*, March 28, 1994.

69. Andrés Oppenheimer, "In Mexico, Anatomy of a Done Deal," *The Miami Herald*, April 4, 1994.

70. FBIS, *Daily Report: Latin America*, March 1 and 4, 1994; "In Pact with Rebels, Mexico Promises Reforms and Aid for Its Poorest State," *The Miami Herald*, March 3, 1994; Tim Golden, "Salinas's Chosen Path: Peace and Progress Too," *The New York Times*, March 4, 1994;; and Golden, "Rebels in Mexico Spurn Peace Plan from Government," *Ibid.*, June 13, 1994.

71. FBIS, *Daily Report: Latin America*, March 1, 14 and 18, 1994.

72. Zedillo's acceptance speech, for instance, was notable mainly for the fact that he invoked the fallen Colosio's name no less than 38 times. See FBIS, *Daily Report: Latin America*, March 30, 1994.

73. Douglas Farah and Ted Bardacke, "Mexico's Preeminent Party Looks Uneasy as New Candidate Learns on the Job," *The Washington Post*, April 18, 1994.

74. Tod Robberson, "Mexican Candidate's Support of Rebels Gets Him Little in Return," *Ibid.*, May 20, 1994.

75. *Ibid.*

76. Robberson, "Hard-Running Conservative Turns Mexico Vote Into a Race," *Ibid.*, July 19, 1994; Anthony DePalma, "Mexico Holds First National Debate on TV," *The New York Times*, May 14, 1994; Tim Golden, "Mexican Party's Long Rule Threatened by Conservative," *Ibid.*, May 29, 1994.

77. Andrés Oppenheimer, "Mexico's Opposition Candidate Poised for the Unthinkable: A Win," *The Miami Herald*, July 15, 1994; Todd Robberson, "Hard-Running Conservative Turns Mexico Vote into a Race," *The Washington Post*, July 19, 1994.

78. Tim Golden, "Mexican Challenger: Bold Words, Pale Presence," *The New York Times*, July 27, 1994.

79. Though this was at least partially due to the fact that the Mexican military's efforts in this area had been diverted by the Zapatista threat. Tim Golden, "Mexico's Drug Fight Lagging, With Graft Given as a Cause," *Ibid.*, August 7, 1994.

80. *FBIS, Daily Report: Latin America*, June 13, 1994; Tod Robberson, "Car Bomb Blasts Hotel in Guadalajara, Kills 5," *The Washington Post*, June 12, 1994; and "Arms Arrive in Mexican Port," *Ibid.*, August 7, 1994.

81. *FBIS, Daily Report: Latin America*, June 27, 1994.

82. *Ibid.*, June 20, 1994.

83. Tod Robberson, "Mexico Takes the Initiative from Rebels," *The Washington Post*, July 6, 1994.

84. See the "Second Declaration of the Lacandona Jungle," in *FBIS, Daily Report: Latin America*, June 14, 1994.

85. Text in *Crónica y Documentos de la Convención Nacional Democrática*, Aguascalientes, Chiapas, August 1994; Anthony DePalma, "Mexican Rebels Warn of Retaliation if Vote Is Fixed," *The New York Times*, August 11, 1994.

86. See, e.g., Andrés Oppenheimer, "Mexico Rebel Leader: I'm a Poet, Not a Politician," *The Miami Herald*, July 28, 1994; and Tod Robberson, "Mexicans Talk of Post-Election Clashes," *The Washington Post*, August 19, 1994.

87. Andrés Oppenheimer, "Irregularities Reported on Eve of Mexico Vote," *The Miami Herald*, August 21, 1994. For a critical appraisal of the elections, see especially Jonathan Fox and Luis Hernández, "Lessons from the Mexican Elections," *Dissent*, Vol. 42, No. 1, Winter 1994, pp. 29-33.

88. The violence included a possible attempt on Avendaño's life. In the midst of the campaign, he had been injured in a serious automobile accident, which many of his supporters suspected was not an accident at all. As for the fraud, vote-

monitoring groups reported that Chiapas had the highest rate of irregularities in the country. Relatively few observers, however, supported the EZLN's claim that this had made a critical difference. (Robeldo had won 50.4 percent of the official vote to Avendaños 34.9 percent.) The truth is that there is no way of knowing who would have won a clean race. Tim Golden, "Insurgents in Mexico Threaten to Fight if Governor Is Installed," *The New York Times*, October 18, 1994; Fox and Hernández, "Lessons," pp. 30-32.

89. Tod Robberson, "Probe Underlines Split in Mexico's Long-Ruling Party," *The Washington Post*, November 20, 1994.

90. *Ibid.*; Ted Bardacke, "Mexico Probes Assassination; Drug Cartel Link Suggested," *Ibid.*, September 30, 1994; and Sallie Hughes, "Politicians and Drug Lords Said to Have Plotted Mexican Assassination," *Ibid.*, October 7, 1994; Anthony DePalma, "A Leader of Mexican Party Is Slain, 2nd in Year," *The New York Times*, September 9, 1994.

91. Robberson, "Probe Underlines Split"; Robberson, "Mexican Officials Accused of Coverup," *Ibid.*, November 24, 1994; Anthony DePalma, "Mexican Lawman Accuses Ruling Party in His Brother's Death," *The New York Times*, November 24, 1994.

92. *FBIS, Daily Report: Latin America*, November 25, 1994.

93. *Ibid.*, November 25 and 30, 1994; Robberson, "Mexican Officials."

94. Tim Golden, "Mexican Candidate's Assassin Is Sentenced to 42 Years," *The New York Times*, November 1, 1994.

95. Tod Robberson, "Angry Mexicans Criticize, Fear California Anti-Immigration Vote," *The Washington Post*, November 10, 1994; John M. Goshko, "Mexican Leader Assails Anti-Immigrant Law," *Ibid.*, November 24, 1994.

96. It should be noted that the constitutionality of Proposition 187 is in question. Nevertheless, the rising tide of anti-illegal immigrant-and by association anti-immigrant and anti-Mexican-sentiment is likely to poison U.S.-Mexican relations for many years to come.

97. Sallie Hughes, "Mexico's Ruling Party Tries Internal Reform," *The Washington Post*, November 6, 1994; George W. Grayson, "Tabasco and Mexico's Future," *Journal of Commerce*, December 1, 1994.

98. Anthony DePalma, "Mexican's Offer to Rebels: Turn In Guns and He'll Quit," *The New York Times*, December 8, 1994; and DePalma, "Mexican State Gets 2 Chiefs: One Official, One Itinerant," *Ibid.*, December 9, 1994.

99. *FBIS, Daily Report: Latin America*, August 5 and December 2, 1994; Andrés Oppenheimer, "Mexico's President-elect Willing to Reform System, But Many Doubt He's Able," *The Miami Herald*, August 25, 1994.

100. *FBIS, Daily Report: Latin America*, December 7, 1994.

101. According to Salinas in his State of the Nation Address. *FBIS, Daily Report: Latin America*, November 3, 1994.

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