Myths and [mis] perceptions

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The 1982 Crisis and Its Consequences

FROM REFORMISM TO A CONSERVATIVE REVOLUTION

Although the devaluation of the peso in 1982 followed the pattern set by the preceding devaluation in 1976, it differed in the details. During the earlier period, the United States, in fact the entire global economy, was undergoing important transformations, which must be included in any analysis of this critical moment in Mexico’s recent history. Attesting to the viability and adaptability of the American system, many of the changes incubating in the United States throughout the turbulent 1960s were being institutionalized: Congress imposed new limits on executive power, placed stricter controls on intelligence agencies, and strengthened protections for individual rights. The Freedom of Information Act (which permitted the release to the public of many of the documents quoted in this volume) dates from this period.

Meanwhile, the enormous power the United States had amassed since the end of World War II began to wane (though only in relative terms; it would rebound spectacularly a few years later). As U.S. power lessened, Washington had to make corresponding adjustments to the nation’s foreign policy. The balance of world power was also affected by the dramatic economic recovery of Japan and the countries of Western Europe, intersecting with a downturn in U.S. productivity and a surge in the United States’ rate of inflation, federal budget deficit, and trade deficit. This process was exacerbated by the crushing costs—human, political, and economic—of the Vietnam War (Brittan 1983; Garten 1985; Hormats 1986). Not surprisingly, a realignment of world power became a charged issue during the 1970s.

Congressional hearings convened by Representative Donald Fraser in 1973 reflected another important change. The hearings focused on how the United States could, through the implementation of foreign policy, encourage repressive regimes to improve their human
rights record. One outcome of this new linkage was the International Security Assistance and Arms Export Control Act of 1976-77, which prohibits the granting of "security assistance to a government which has a consistent pattern of gross violations [of human rights]" (B. Smith 1982: 279).

The implementation of these revamped U.S. foreign policy priorities fell to a new generation of congressional politicians. Following in the wake of the Watergate scandal, the 1974 midterm elections gave Democrats an overwhelming majority in the U.S. Congress. The elections also opened congressional doors to a new school of politicians (including Fraser) who had been sensitized by personal experience in Latin America, Africa, and Asia, usually as academics or Peace Corps volunteers. These new politicians had witnessed first-hand the grimmest aspects of oppression and the direct impacts of U.S. foreign policies. They enjoyed the support—and felt the pressure—of a number of nongovernmental human rights organizations and religious groups with links to counterpart groups in Latin America.


Republicans retook the White House four years later, putting an end to Carter's activist policies. The upswell that carried Ronald Reagan to the presidency in 1980 reflected a realignment of social forces in the United States and the appearance of new political strategies. This movement—the New Right—evolved in California and other southwestern states and drew its strength from the growing community of religious fundamentalists. It arose in direct response to the country's socioeconomic problems and the general malaise stemming from the United States' diminished global status. And it fed on a

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1 For a general overview of the role of human rights in U.S. foreign policy, see P. Fagen 1980. A series of yearly State Department reports on the global human rights situation, commissioned by Congress in 1976, provides valuable insight into the nature and evolution of the United States' policies toward Mexico.
2 There were 243 Democrats in the House, versus 188 Republicans (four seats were vacant at the beginning of the session). The tally in the Senate was 57 Democrats, 41 Republicans, and 2 Independents.
swelling undercurrent of anger and prejudice kindled by the activism of racial and sexual minorities and antiwar protesters (Wolfe 1981).

Another important factor in the Right's ascent was that its ideological pronouncements rested on a well-articulated theoretical foundation, developed in generously financed conservative research centers. This foundation included, among other elements, the theory of supply-side economics (Laffer and Seymour 1979; Wanniski 1978; Gilder 1981). The international-level counterpart of this intellectual and political revolution was "structural adjustment policies"—or neoliberalism. Throughout this period, liberal and progressive sectors failed to generate new ideas to counter those of the conservative camp, underscoring once again the fundamental role that ideas play in political action.

The conservatives, pledged to a thoroughgoing reorientation of U.S. foreign policy, aimed to reimplement containment measures and return to a period in which the will of the United States prevailed worldwide and "anti-Communism" was a magical incantation used to reduce and simplify realities that were in fact enormously complex. Not only had Carter been naive, conservative arguments ran; he had put the security of the United States at risk, and the clearest example of this was Central America. The Sandinistas in Nicaragua and the guerrillas in El Salvador had to be stopped. As Reagan put it, the stakes were no less than "the security of America as a whole." The conservatives were absolutely convinced that the Communists saw Mexico as their next target and the prize jewel in their hemispheric sphere of influence.

This view served only to aggravate—and probably prolong—the conflict in Central America. Conservative Washington proved unable to impose its will absolutely; it could eradicate neither the Sandinistas nor the Salvadoran guerrillas. It succeeded only in debilitating and destabilizing both forces, in the process contributing significantly to the devastation and human suffering in both countries. The conservatives' failure to prevail was due in large part to opposition within the United States. This is remarkable, especially when contrasted with the broad freedom that Eisenhower, also a Republican, enjoyed in his actions against Jacobo Arbenz in 1954.

The U.S. movement for solidarity with progressive forces in Central America was to become one of the most expansive in the history of the United States. It grew out of the social networks established in the 1960s and owed its existence, first, to a higher level of awareness regarding Central American affairs and, second, to the appearance of new actors (Europe, Cuba, and Mexico) with both the will and the margins for maneuver needed to oppose regional policies advocated by the United States. Developments in Central America attest to the profound transformations that had taken place, in both the United
States and the world: despite the rise of conservatism and the might of the United States, a Republican administration ultimately had been unable to impose its will on even the smallest of nations.

This outcome reflects the deeper forces that were at work within the international system. The globalization of economic and political activity introduced new actors onto the world stage who were undermining the great powers' entrenched hegemony. Large corporations were creating economic networks that were relatively autonomous from any nation-state. Meanwhile, independent social organizations proliferated and linked up in new global networks with counterpart organizations in other countries. Acting jointly on issues such as the defense of human rights or the environment, these groups have succeeded in severely hindering government action and have themselves become an important new force.

Over the course of the 1980s, the way in which relationships of domination operated underwent significant change. Although it followed traditional lines in its intervention in Central America, the United States was simultaneously working to reorient its economic policies and the manner in which it implemented these policies, both regionally and globally. One individual's evolution illustrates these changes. Robert McNamara, a hawkish secretary of defense under President Kennedy, became a converted liberal; as president of the World Bank (1968–1982), McNamara announced his intention to serve the basic human needs of the poorest populations by reorienting development policies toward addressing the root of the problem—inequality. What is remarkable about McNamara's metamorphosis is the fact that, in the new environment produced by the profound transformations in U.S. worldview, society was easily able to take it in stride; such personal evolution was, in effect, socially acceptable.

A World Bank report issued in 1981 suggests that, by that year, McNamara's era and its accompanying notion of development with equality had come to an end (World Bank 1981). The pattern had reverted, once again, to the North imposing its will on the South through the establishment of adjustment programs tailored to "liberalize trade regimes, privatize state enterprises, cut government expenditures, raise interest rates, and generally become 'market-friendly'" (Mkandawire 1995: 1). These were the beginnings of a neoliberal revolution that would redefine development and the arsenal of mechanisms with which to promote it, generally via international financial institutions.

In Mexico, the now exhausted economic model inherited from the revolution and the equally exhausted leadership entrenched around it—along with the rapid rise of a new group of "technocrats" through

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3Headed by Carlos Salinas de Gortari and José Córdoba Montoya.
the ranks of the de la Madrid administration—allowed this neoliberal revolution to gain a firm foothold in Mexico. The fortunes of the new technocrats rose at a rate on par with the rate of the peso’s decline in 1982; following the devaluation this group appeared to be the only one with a seemingly viable plan for economic recovery and the know-how to conduct negotiations with the U.S. government and international institutions.

These extensive transformations forced a redefinition of concepts previously thought to be immutable, such as “border,” “sovereignty,” and “intervention,” to name a few. This process of redefinition can even be seen as almost imperceptibly laying the foundations for a new universal culture, whose complexity stems in part from the fact that it brings together ideas and assumptions traditionally considered to be mutually exclusive. The ramifications of these new definitions have touched the United States, Mexico, the bilateral relationship, and the Mexican political system, but not in equal measure.

**THE RITE OF DEVALUATION**

The U.S. elite was acutely aware of the deterioration of the Mexican economy. The *Times* began publishing reports critical of the country’s financial situation, inflation, unemployment, and declining living standards as early as 1981. Most analysts were convinced that the peso was overvalued vis-à-vis the dollar (figures 69–70) (NYT, Apr. 6, 1981). Repeating the pattern of events in 1976, the *Times*’s first reference was to a “possible devaluation in the future” (NYT, Jan. 8, 1981), with the author noting that “business executives and senior Government officials, reveling in the fruits of record company profits, exorbitant salaries, and endemic corruption,” were becoming visibly nervous (NYT, Jan. 11, 1981). The *Times* also suggested that “more than half of the capital which enters as foreign investment exits the country as profits or royalties” (NYT, Mar. 24, 1979). Meanwhile, high-ranking members of the López Portillo administration continued to cater to the fantasies of this president who seemed to have lost touch with reality; they dismissed warnings of approaching economic crisis as the pessimistic prognostications of traitors, malcontents, or “enemies of the president.”

López Portillo’s unreal universe—the product of a political system in which there are no restraints on presidential power—was at the root of an incident reported widely in the U.S. media. In mid–1981, with the international oil market glutted with oversupply, PEMEX director Jorge Díaz Serrano cut the price of Mexican crude. An indignant López Portillo summarily fired Díaz Serrano and in June 1981 declared that Mexico would not be coerced by forces in the interna-
tional market. He reimposed the higher price for Mexican crude and warned clients that if they refused to pay his price they could forget about Mexico as an energy source in the future (NYT, June 17, 1981). When France refused to pay the price, the Mexican government canceled several French purchase contracts. López Portillo’s feud with the international oil market was short-lived; after only two months PEMEX lowered its price to the level Díaz Serrano had proposed (NYT, Aug. 5, 1981).

The media continued to allude to a possible devaluation of the peso, whose parity with the dollar depended on Mexico’s oil revenues. López Portillo blustered along, even declaring that he would defend the peso “like a dog” (NYT, July 18, 1981). While the president rehearsed his memorable one-liners, the Times published the facts on Mexico’s foreign debt, which would exceed $10 billion in 1981. And the situation would get worse in light of the fact that international banks were continuing to make loans to Mexico (NYT, July 6, 1981).

Despite Mexico’s rapidly deteriorating economic situation, Washington remained supportive of López Portillo and his government. In August 1981, the United States signed a five-year purchase contract under which Mexico would supply oil for the U.S. strategic reserves at a price that slightly exceeded expectations (NYT, Aug. 21, 1981). The agreement was remarkable in many respects, not least of which was the way in which the Mexican government manipulated how it was presented to the public. By changing the way it categorized the types of exported oil, “Mexico’s leadership was able to create the impression that a small price increase had been won” (NYT, Sept. 2, 1981), although the government’s official releases stated simply that sales would be made “at current official prices” (El Nacional, Aug. 21, 1981).

In late 1981 and early 1982, the Times began alerting its readership to the massive amounts of capital fleeing Mexico and predicting that “a repetition of the large devaluation in August 1976” was imminent (NYT, Dec. 24, 1981). The first devaluation in 1982, on February 19, shattered López Portillo’s image; henceforth he would be “a devalued President” (NYT, May 23, 1982). In May 1982, López Portillo appointed Jesús Silva Herzog as minister of finance, and Mexico’s economy began to show some signs of improvement, though these were transitory. The temporary upswing was due largely to the U.S. government’s raised expectations, which grew out of its respect and admiration for Silva Herzog. The new minister was praised for displaying “a frankness rare among those responsible for the Mexican economy” and described as a “scrupulously honest man,” high distinction indeed at a moment when references to Mexico’s endemic corruption were at an all-time high (NYT, Aug. 21, 1982).
However, respect for Silva Herzog alone could not prevent another devaluation, which occurred in August 1982 and required yet another U.S. rescue operation. Although internal government documents from this period have not yet been released, events seem to have followed lines very similar to those of 1976, and U.S. aid to Mexico was conditional on Mexico's agreement to significant concessions. For example, the Times quoted a confidential State Department memorandum to the effect that, because of the crisis, Mexico would sell "more oil and gas [to the United States] at better prices," might be forced to reduce restrictions on foreign investment, would cooperate in reducing illegal migration, and would negotiate a trade agreement with the United States (NYT, Aug. 14, 1982).

An enraged Mexican government stridently denied making any such concessions. These denials were almost simultaneous with López Portillo's discussions with IMF experts regarding the conditions for yet another loan (NYT, Aug. 17, 1982). No agreement was reached, and as the summer of 1982 wore on, Mexico's foreign currency reserves diminished to next to nothing. Silva Herzog had no option but to travel to Washington where, in one weekend, he was able to negotiate a multi-million-dollar loan. Eventually it came to light that in his negotiations Silva Herzog had been forced to accept many of the concessions predicted in the leaked State Department memorandum (NYT, Aug. 21, 1982). Once again, the avowed nationalism of government officials aside, it is clear that Mexico's sovereignty and independence are often infringed upon by foreign interests as long as these interests are willing to remain in the background.

The concessions were significant. Mexico would increase its oil and gas exports to the United States, and a price ceiling of $35 dollars/barrel was set for Mexican crude, to remain in effect even if it was overtaken by prices on the world market. A energy specialist writing for the Times noted that "the United States, so far as is known, never before has been able to obtain price protection." Furthermore, Mexico promised to increase the quality of its crude. It is revealing that the U.S. elite saw these extraordinary concessions as their due; the Times noted that Mexico could now be accepted as a friend and "ally" of the United States (NYT, Aug. 21, 1982).

Yet despite these significant concessions, Mexico was not yet out of the woods. As a condition for Silva Herzog's "jumbo" loan, the Mexican government would have to institute an IMF-approved economic program. To this end, the World Bank and the U.S. Federal Reserve set up a committee to "analyze Mexico's total debt picture and . . . establish a realistic fiscal and monetary program" (NYT, Aug. 21, 1982). Mexico's ambassador to Washington during this period, Bernardo Sepúlveda, conceded that these accords were "the bitter medicine we will have to swallow" (NYT, Aug. 31, 1982). Of course,
what was really being negotiated in Washington was no more and no less than the economic model created by the Mexican Revolution. In 1982, unlike 1976, there was a conservative in the White House and the basic attitude of international financial institutions was completely changed. Coercion was no longer carried out by government agencies but by impersonal multilateral financial institutions.

THE NATIONALIZED BANKS AND THE IMF ACCORDS

Obstinately refusing to accept the conditions laid down by the IMF, an entrenched López Portillo hunkered down in Los Pinos to prepare his final State of the Nation Address, to contain the surprising announcement that he had nationalized the Mexican banking system. Interestingly, U.S. banks reacted favorably to the address, at least initially, believing that nationalization was the only measure that could "save the private banks from insolvency." After this surprising first reaction, the U.S. elite switched position and united in vociferously condemning the nationalization, interpreted as a blow against private enterprise, the desperate act of a president seeking to "shift some of the blame for Mexico's severe economic problems away from his administration" (NYT, Sept. 2, 1982; also Apr. 4, 1982). Mexican politicians, on the other hand, applauded López Portillo. Alan Riding interviewed one anonymous "influential Government politician" who believed that the nationalization of the banking system was destined to become "a political symbol that no future President would dare touch" (NYT, Sept. 3, 1982). But even this spectacular initiative did not derail negotiations between Mexico and the International Monetary Fund. Apparently hoping for a miracle, López Portillo continued to reject the IMF's conditions. When no miracle was forthcoming and Miguel de la Madrid was only days away from being inaugurated as Mexico's next president, López Portillo finally agreed to the IMF's "austerity program" in November 1982 and signed a confidential memorandum of understanding that included "details of how Mexico's public sector deficit would be reduced," such as doubling domestic gasoline prices and the value-added tax, cutting food subsidies, and imposing a government hiring freeze (NYT, Nov. 19, 1982). Throughout this process, Washington continued to support Mexico's

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4 Only a week prior to the announcement, the international banks had warned Mexico that it "must affirm its support of the private banks or . . . be cut off from all credit" (NYT, Sept. 2, 1982).

5 It is likely that this same politician was among the congressmen who later willingly reprivatized the banking system when ordered to do so by Carlos Salinas de Gortari.

6 The Times noted that López Portillo wished to avoid creating the "impression that he had allowed the IMF to dictate Mexico's economic policies."
established order, repairing somewhat the damage to the nationalistic image of Mexico's government officials.

The full significance of the IMF accord was not immediately apparent. Clearly, the economic model inherited from the Mexican Revolution was failing—largely because of the mistakes of administrations that had been either unable or unwilling to make needed adjustments to it. But in jettisoning the economic model, Mexico was also abandoning its long-standing myths, its "collective dreams" of social justice and a development path independent of the United States. And here we must not forget that, in Mexico, democracy had been largely sacrificed in the pursuit of these objectives.

Further, the impacts of the IMF accord were not limited to the economic sphere. Mexico's insolvency had serious repercussions on its foreign policy. U.S. analysts noted that Mexico's activism in Central America waned as the crisis deepened. In September 1981, the Times noted that "Mexico's self-assurance has suddenly been shaken by the drop in world oil prices" (NYT, Sept. 13, 1981). The flood of tens of thousands of Guatemalan refugees into Chiapas in the early 1980s allowed Mexico to experience first-hand some of the consequences of the Central American conflict and provoked a response that clearly demonstrated the shallowness of the Mexican government's commitment to the cause. Invoking national security—and in direct contradiction to Mexico's traditional hospitality to asylum-seekers—the government strongly resisted admitting the refugees encamped just beyond Mexico's southern border (NYT, Nov. 23, 1980, Mar. 21, 1982). Tens of thousands were eventually admitted but only after the international community and scores of independent organizations brought pressure to bear.

Moving out of its role as activist for change in Central America, Mexico began to take up the relatively lighter mantle of mediator. In November 1981, the Times reported that Mexico had offered its services as an "intermediary" between Nicaragua and the United States (NYT, Nov. 27, 29, 1981). U.S. strategists were relieved to see Mexico return to its traditional—and more familiar and less irritating—diplomatic principles. In fact, Mexico had no choice. This was the only option open to a nation whose dreams of vast oil wealth had rapidly devolved into nightmares of crisis, debt, and devaluation.

Thus 1982 marked the end of the only period in recent history in which Mexico attained real independence in its foreign policy and could challenge the U.S. government on matters of substance in which Mexico had a direct interest. President Miguel de la Madrid Hurtado, inaugurated in late 1982, redirected Mexican diplomacy along a path of pragmatic moderation, although defending Mexican government interests remained an important consideration. De la Madrid also
continued to uphold the traditional myth that Mexico's foreign policy is based on principles rather than self-interest.

SEARCHING FOR SCAPEGOATS

The U.S. elite certainly believed that it was responsible for saving Mexico from insolvency—and thereby keeping the PRI in power, although the media tended to remain silent on the issue out of courtesy. Nevertheless, a few journalists, including conservative columnist William Safire, did state publicly what many held privately. Safire noted that, until recently, "Mexican politicians delighted in denouncing the United States; . . . during the worst of the oil squeeze of the 70's [they] rejected our requests for oil and gas . . . thumbing their noses at the needs of the 'colossus of the north.'" But now that Mexico was bankrupt, he added, those very "oligarchs turned for help to the ally of last resort," the United States (Safire 1982). What Safire did not mention is that this "ally of last resort" supported the Mexican oligarchy only because it was in its best interest to do so.

The U.S. elite also began assigning culpability for the devaluation. The consensus was that responsibility lay with governing officials in Mexico. However, a few observers with a fuller knowledge of Mexico suggested that blame should probably be dispersed more broadly. For example, Susan Kaufman Purcell noted that although the devaluation was largely a "result of serious miscalculation and incautious economic conduct," it was due in part to "foreign banks' willingness to keep pouring money into the country" (Purcell 1982). Other analysts blamed U.S. companies for encouraging corruption by funneling bribes to officials in Mexico, such as the millions of dollars that went to PEMEX officials (NYT, May 5, 1982). At least some segment of the U.S. elite was willing to accept that the United States had contributed, in part, to the Mexican debacle.

Alan Riding explored an interesting vein when he placed a share of the responsibility on Mexico's "prosperous businessmen" and government officials. According to Riding's calculations, private businessmen and politicians had spirited at least U.S.$14 billion out of Mexico and invested approximately $30 billion in U.S. real estate. He noted that "even close members of the President's family are reported to have acquired homes in Miami and Seville, Spain" (NYT, Sept. 4, 1982). Riding later quoted an anonymous government official, who suggested that the business community "was given such generous subsidies and tax incentives. It earned such incredible profits. And

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1Mexico's business sector was criticized more frequently in 1982 than in any year since 1946 (figure 76).
now it won’t make any sacrifices” (NYT, Apr. 12, 1982). Such criticism of the business sector was rare, however.

Also mentioned in discussions of what lay behind the peso devaluation was “the consumer frenzy of the upper classes” (NYT, Jan. 11, 1981). The Times reported the case of a rich Mexican who went to Houston to buy “silk sheets, at $1,400 a pair, for his 9-year-old girl” (NYT, Oct. 7, 1982). Examples along these same lines raised U.S. awareness regarding what such extravagance on the part of politicians and businessmen might mean for those on the lower rungs of Mexican society. Reporters also noted in passing that “one result of the boom was an even greater concentration of income in a country where 10% of the population has traditionally controlled 50% of the wealth” (NYT, Aug. 23, 1982).

THE EMBODIMENTS OF CONSCIOUSNESS

Perceptions of Mexico during the López Portillo administration tended to follow one of two lines. The traditional (and predominant) inclination was to view Mexico through the rose-colored glasses of self-interest, always accentuating the positive. The second and more critical tendency was to see Mexico’s flaws as well as its strong points. Both viewpoints were based on an improved, though still imperfect, understanding of Mexico.

The most revealing window on the predominant and more optimistic tendency is what its proponents deliberately did not say. For example, the U.S. government was well aware of the excesses of Mexico’s security police and security agencies, but it decided not to speak out. The U.S. government’s appreciation of the true situation in Mexico is confirmed in Presidential Review Memorandum-41. This document, prepared in 1978, notes that “Mexico’s domestic human rights record leaves room for significant improvement.” However, it continued, “it would be ill-advised and counter-productive for us to take Mexico to task publicly for its violations of human rights.” PRM-41 went on to conclude that the most advisable course of action was “to continue our multilateral cooperation, manage a quiet and reasonable dialogue, and encourage human rights improvement on both sides without undue cost to our other interests” (NSC 1978: 1, 3). The United States’ decision to overlook the human rights abuses committed by the authoritarian Mexican regime also appears in the annual reports on the human rights situation worldwide that the U.S. State Department has prepared since 1976. A clear pattern emerges in these documents: they consistently minimize the seriousness of the problem and thus avoid criticizing the Mexican government.
This pattern has held true across administrations, some liberal, others conservative. Its durability can be attributed to the fact that the U.S. government, although fully apprised of the true nature of the PRI, also recognized that it needed the PRI in order to guarantee its own interests. Thus, on the one hand the media reported that even though the Mexican government made concessions in order to maintain its "democratic image," these concessions did not apply to "Indians and peasants, striking workers or squatter organizers" and, further, that "the heirs of the Zapatistas are still impoverished, many lacking lands or the means to maintain themselves." The Mexican regime was no longer portrayed as democratic; "authoritarian" and "a combination of authoritarianism and democracy" became the new descriptors (NYT, July 31, 1979; Feb. 17, 1980; Jan. 11, 1981). On the other hand, however, the media credited the PRI with preserving Mexico's cherished stability, even though it now did so through "a complex network of loyalties, favors, and influences."

Alan Riding sometimes criticized corruption in Mexico while at other times he praised the PRI as "one of the world's most efficient political machines," admired by "many governments that would like to perpetuate themselves in power" (NYT, Mar. 4, 1979). Peter Smith also expressed admiration for the system's capacity to overcome crises. Thus the U.S. elite remained (and remains) ambivalent toward Mexican authoritarianism. They do not respect it; but because they need it they are willing to support and solidify it.

Despite their ability to entertain this fundamental contradiction, the U.S. elite had overcome many entrenched misportrayals of Mexico and amplified their potential consciousness. Thus, although Mexico's Communist Party received no positive references during the 1980s, the Times published only 6 negative ones; the overwhelming majority (42) were informative (figure 33). The Left no longer received more attention than the PRI, as it had during the Cold War, though apparently it did still cause some uneasiness, as reflected in the fact that there were twice as many references to the Mexican Communist Party as to the center-right National Action Party (figures 31–33).

In 1977, for the first time since 1946, a leader of Mexico's Communist Party consented to an interview with the Times. Arnaldo Martínez Verdugo outlined to Alan Riding the transformations his party had undergone (NYT, Dec. 27, 1977). Other Riding articles reported on Heberto Castillo and the Mexican Workers' Party (PMT) (NYT, Nov. 23, 1979). Although the media's general disapproval of the Left persisted, it was now tempered by an increasingly realistic awareness of the Left's strengths and weaknesses. Riding provided very accurate portrayals of left-wing organizations which, he noted, were no more than a "domesticated left . . . incapable of exploiting the country's worst domestic crisis in 40 years" (NYT, Oct. 1, 1978). He
also emphasized a “persistent problem that has long plagued the Mexican left: its leaders prefer control over small factions, and are unwilling to accept positions of lesser authority in larger organizations” (NYT, Nov. 9, 1981). Media attitudes had come a long way since 1944, when Ambassador George Messersmith chastised Times correspondent Camille Cianfarra for interviewing “people of the extreme left” (DOS 1944).

Another indicator of the media’s search for a better understanding of Mexican affairs was a new interest in previously ignored issues and actors. The middle classes, intellectuals, students, and the Church were some of the new topics covered in the pages of the Times (figure 39). Fascinating new subjects included the artists of CLETA, an independent theater group in Monterrey (referred to as a “Maoist commune”); Mexico City’s marginalized underclasses, described as “a vast though as-yet silent urban proletariat”; feminists and dissident intellectuals; the political desaparecidos; pepenadores (squatters in city dumps who scavenge items for resale), all within a strictly controlled, hierarchical organization.8

Such coverage was not limited to the front section. The Times’s travel section published an emotional article on the 1968 student movement, in which the reporter recalled “beatings in the night . . . firing squads and tanks and the rights of the people . . . union between the students, workers, and peasants . . . land and bread” (NYT, Oct. 13, 1974). The paper’s opinion section also ran a story on the life of a Mexican exile in the United States (NYT, Apr. 1, 1979) and reviewed a novel by Carlos Fuentes about “a group of men enriched through corruption” who betrayed the Mexican Revolution (Shorris 1985).

At about this time, a group of Mexicanists began publishing interpretations of Mexican reality that broke with earlier, more optimistic viewpoints. Two books that appeared about midway through the López Portillo administration characterize this new perspective: Peter Smith’s Labyrinths of Power: Political Recruitment in Twentieth-Century Mexico, published in 1979, was based on more than six thousand Mexican political biographies. This rigorous piece of work dissected the Mexican political scene and distilled from it twenty-two rules that a would-be politician in Mexico should follow in order to succeed. The absence of principles and prevalence of blatant opportunism that Smith describes are depressingly realistic. If this is how the U.S. elite perceives the Mexican leadership, it is not surprising that they should

8For a sampling of these topics, see NYT, Sept. 25, 1976; Oct. 23 and Dec. 28, 1977; May 3, Aug. 17, Dec. 2, and Dec. 31, 1979; Aug. 15, 1980; Mar. 19 and 21, Apr. 18, and Dec. 26, 1981; and June 22, 1982. This material also served as a basis for Riding’s very successful Distant Neighbors.
have been skeptical about Mexican politicians’ claims that they were motivated by principles.

Another superb piece of research was Judith Adler Hellman’s *Mexico in Crisis*, published in 1978, which includes an excellent description of the mechanisms of co-optation, opposition, and repression employed in Mexico. In her preface, Hellman states that “much of what has been written by Americans regarding contemporary Mexico consists of praise centered on the political stability and economic growth assured by a one-party system” (pp. xii–xiii), while her objective is to present a critical, sophisticated analysis, an objective she fully achieves.

No Mexicanist has ever evaluated or even considered the impact that the United States has on developments in Mexico. When the U.S. government rescued Mexico after the peso devaluation in 1982, it was motivated by the need to defend its own interests. One has to wonder what would have been the outcome had the United States decided not to bail Mexico out of its financial crisis. Although there are no easy answers, Mexico’s political crisis might well have deepened. In 1983 discontent had built to the point that the opposition National Action Party was able to score significant electoral victories. The resources that the United States provided gave the Mexican government—and Mexican authoritarianism—a powerful boost. Even so, the International Monetary Fund and the World Bank were able to impose extremely harsh economic guidelines on the government of Miguel de la Madrid, ushering in an era of economic adjustment and a changing of the guard in Mexico’s governing elite.

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9 According to the *Social Sciences Citation Index*, Hellman’s volume is among the most frequently cited analyses of the Mexican political system. Between 1985 and 1995, her book was quoted thirty-four times; Smith’s, fourteen.

10 These mechanisms are very similar to the concepts of hegemony and coercion as used in the present volume.