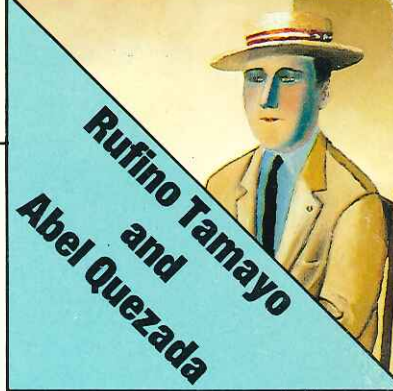
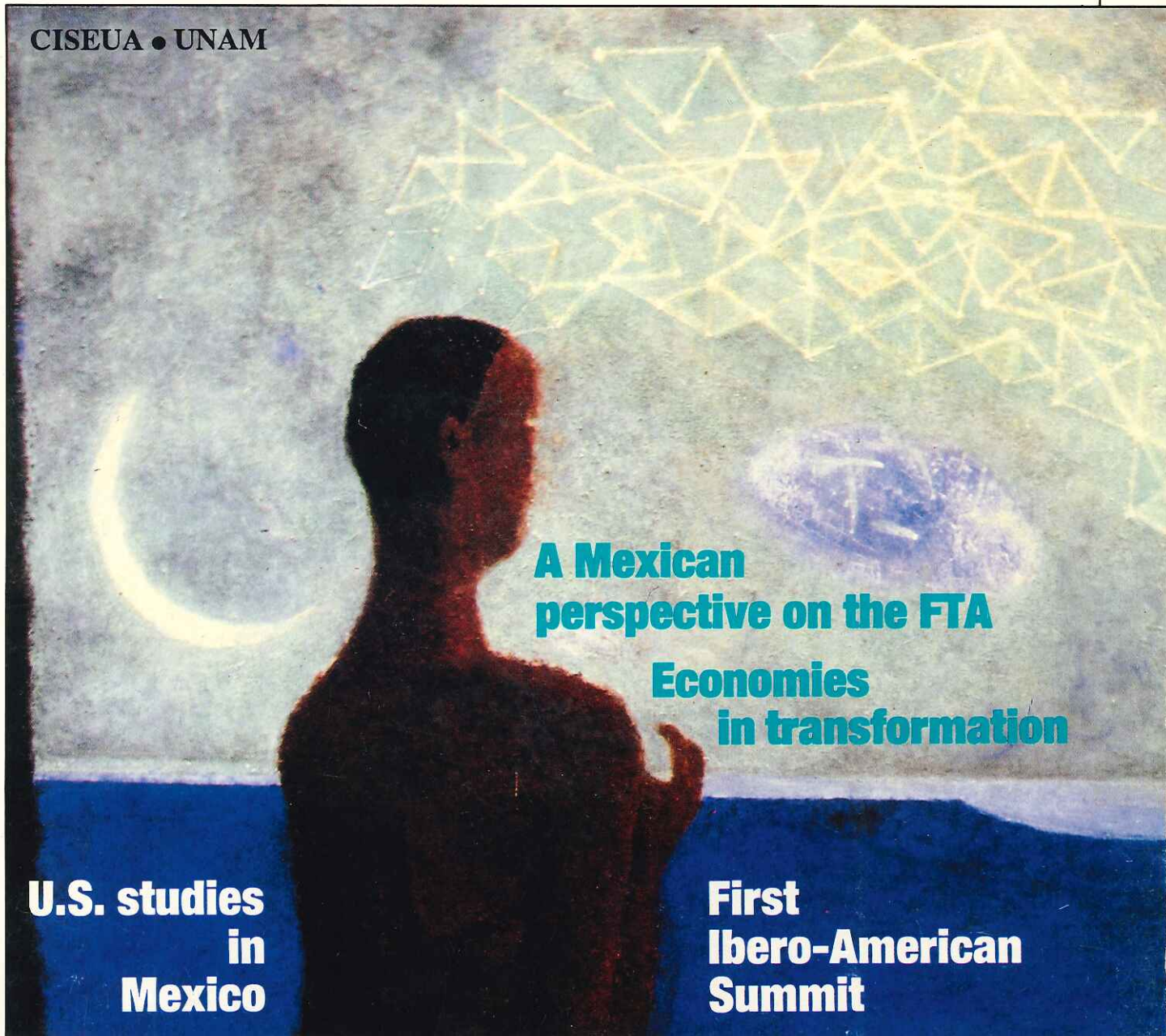


Voices of Mexico

MEXICAN PERSPECTIVES ON CONTEMPORARY ISSUES



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perspective on the FTA**

**Economies
in transformation**

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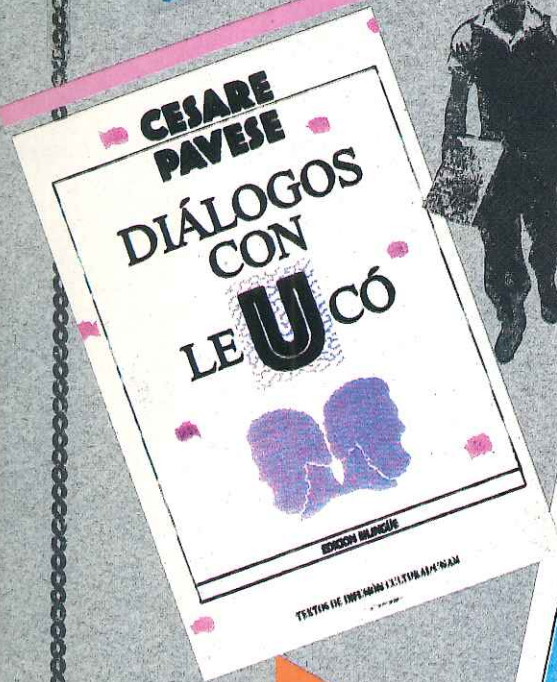
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Voices of Mexico

MEXICAN PERSPECTIVES ON CONTEMPORARY ISSUES

Voices of Mexico is published by *El Centro de Investigaciones sobre Estados Unidos de América*, CISEUA (The Center for Research on the United States) of the *Universidad Nacional Autónoma de México*, UNAM (National University of Mexico).



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EDITORIALS

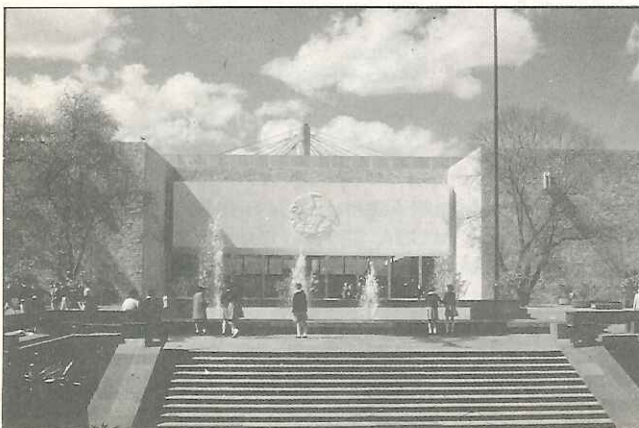
- Our voice
Hugo B. Margáin 4
- A new era for Voices of Mexico
Julio Labastida 7

FREE TRADE

- A Mexican perspective on the FTA agenda
Gustavo Vega 9
- Pros and cons of the Free Trade Agreement
Luis González Souza 16
- The FTA and direct foreign investment from non-member countries
Alejandro Mercado Celis 21

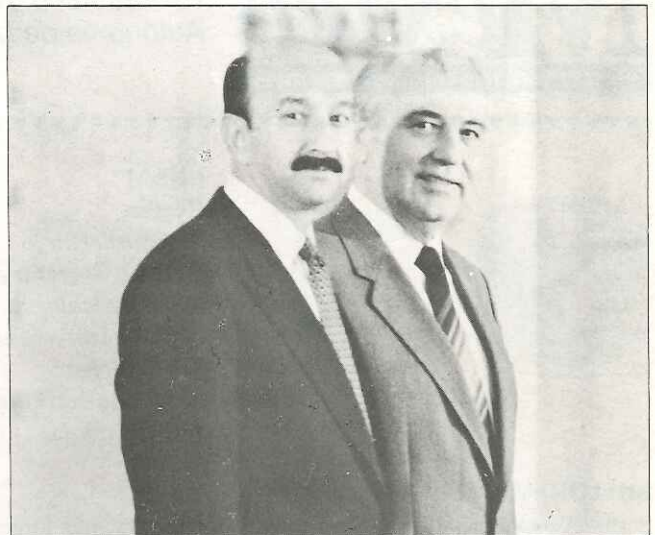
MUSEUMS

- The National Museum of Anthropology
Mari Carmen Serra Puche and Karina Durand Velasco 25



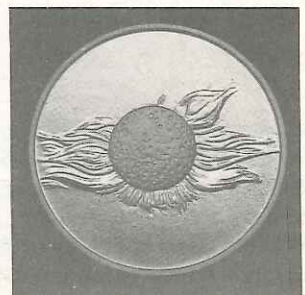
ECONOMIC ISSUES

- Economies in transformation: limitations and potential of the transition process
Pierre Elliott Trudeau 29
- Prospects for international trade: economic blocs and Latin American integration
Victor L. Urquidí 33
- The presidential tour: a vision of the future
Celia I. Martínez Zwanziger 36
- 24th International Meeting of the Pacific Rim Economic Council 42



THE SPLENDOR OF MEXICO

- La Venta: the mouth of Colossal Head 3
Rubén Bonifaz Nuño 44
- Anniversary of the founding of Morelia
Elsie L. Montiel 49
- Eclipse in Mexico: a magic meeting
Elsie L. Montiel 52



Cover: *Rufino Tamayo, Galaxy II, 1982.*

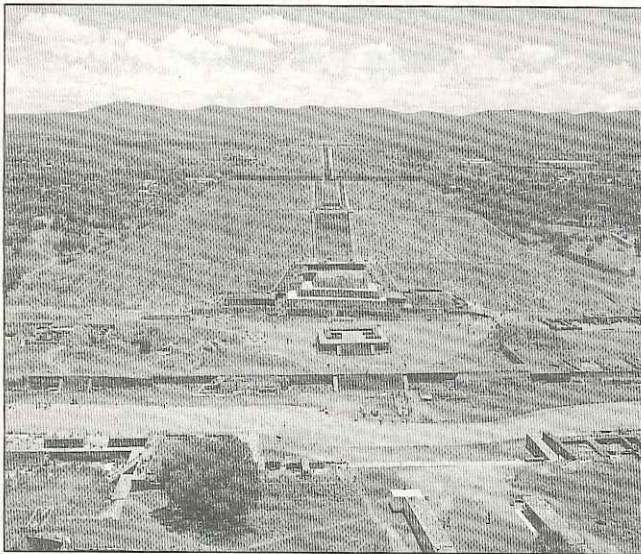
QUINCENTENNIAL

Hernán Cortés
José Luis Martínez 55

MEXICAN-AMERICAN RELATIONS

Trist, negotiator for the U.S. in the War of 1847
Alejandro Sobarzo 59

Mexico: a work of art
María Teresa Márquez 61



IN MEMORIAM

Abel Quezada and Rufino Tamayo
Marybel Toro Gayol 65



NEWS FROM LATIN AMERICA

Permanent Forum for Latin American Affairs
José Sarukhán 73

Latin America: a voice or an echo?
Leopoldo Zea 75

Latin America and the world
 towards the year 2000
Miguel de la Madrid 78

Tenth Central-American Summit
 First Ibero-American Summit Meeting
Celia I. Martínez Zwanziger 84

A medley of awards for Latin Americans
Raquel Villanueva 92



ACADEMIC ISSUES

Italy and Mexico: a political analogy
José Francisco Ruiz Massieu 93

Some changes in the sciences and humanities (1971-91)
Pablo González Casanova 96

U.S. studies in Mexico
Mónica Vereá Campos 100



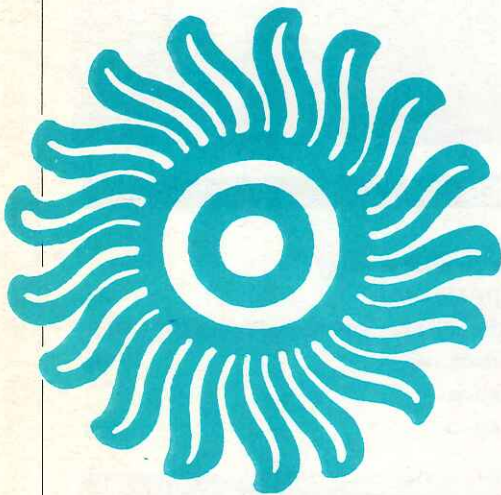
REVIEWS

Mexican history comes alive
 Register of dreams
 Egerton's Mexico 103

Our voice

In a world in which an increasingly active interrelationship is now the trend, and the exchange of ideas is fundamental, *Voices of Mexico* has been known in the United States for the last five years to have been doing very worthwhile work under the directorship of Mariclaire Acosta.

Voices of Mexico will continue to be published; the University authorities having decided to restructure it and to incorporate it with the The Center for Research on the United States. It will, therefore, go on providing the north of our continent with Mexican views on present international events, starting with this issue –No. 17– covering the last quarter of 1991.



The majority of our northern neighbors know little about what Mexico is really like. The same is true here; Mexicans are often unaware of what people in the north are thinking. Because of this lack of knowledge, unnecessary problems arise –problems that would be avoidable if only we knew each other better.

However, this is no easy task: Mexico is the vanguard of the Latin nations of this hemisphere, bordering as it does on the Anglo-Saxon lands to the north. Social, cultural, political and economic differences make for difficult and complicated dialogue, which would be easier if there were a mutual effort to get to know the

different situations in the three countries of North America. This is even more urgent now because of the Free Trade Agreement that is being negotiated.

The aim of this magazine is to open more and more space for understanding based on objective knowledge –the source of mutual respect– which is essential if we wish to live together in harmony and justice.

The differences between the three countries are deep-rooted: up north the Anglo-Saxon and French cultures predominate, whereas here we have an Indian-Spanish one. The language is different and sometimes the ideals too.

The United States is now taking on an increasingly dominant worldwide role, as it no longer has to share it with the Soviet Union. From being bipolar, after the Second World War, the world is now, as we near the end of the century, becoming unipolar and the "Cold War" is becoming a thing of the past.

Mexico's position is different. Our attention is concentrated on solving social problems that have so far proved to be extremely difficult to eradicate. We are overwhelmed by mass poverty. The redistribution of wealth aims to achieve a fairer society, by narrowing the immense gap between rich and poor.

There is a big difference between our northern neighbors' economic development and that of Mexico. The United States is the richest power in the world. Canada too is a rich country, while we are still in the first, difficult stages of progress. There is enormous asymmetry in the economic field. In spite of the differences, we can and must live together in peace and harmony working out our common problems by dint of reason. The rules of thought are common to all of us. We are all subject to logic.

The Free Trade Agreement between Canada, the United States and Mexico opens up a historic opportunity for us, if we know how to negotiate it for our mutual benefit in all the different branches of the economy. The progress brought about by the enormous regional market –although all of us will have a share in it– will raise Mexico's standards of living. It has always been said that there is no progress without social justice, and social problems cannot be addressed without the resources stemming from development. In this issue several articles by well-known specialists comment on the regionalization of the northern part of this continent.

Mexico's contribution to world culture is extraordinary. The most outstanding Indian civilizations, with the exception of the Incas in the south, all developed here in Mesoamerica. During colonial times, New Spain left its permanent stamp of European culture enriched by its obvious syncretism with the native Indian civilization.

Modern Mexico is outstanding for its murals, its music, its architecture and its literature, to mention but four branches of culture. Our University is a prominent example of modern Mexican architecture.

Our literature received international recognition when Octavio Paz was awarded the Nobel Prize. Several years earlier, Alfonso García Robles had received the Nobel Peace Prize for his untiring work to bring about the signing of the Tlatelolco Treaty, by which nuclear weapons were outlawed in Latin America, but nuclear energy was allowed to be used for peaceful purposes. The Treaty proposed an exemplary change: atomic energy, instead of being used to kill and destroy, should be used for construction and progress. An energy that is unsurpassed up to now, the energy "the suns feed on", harnessed in the service of progress and peace.

Every issue of the magazine will present a sample of Mexico's past and present cultural riches.

Our task is to bring the voice of Mexico to the northern part of the continent, convinced as we are of the need to avoid disagreements arising from the lack of objective knowledge about what we really are. Let us make reason and dialogue our common strong points ❧

Hugo B. Margáin
Editorial Director



FONDO EDITORIAL DE LA UNAM

Mexico is a country of great natural wealth. This has attracted the interest of many specialists from around the world for several centuries. They have attempted to understand and to explain its different forms of cultural expression. Artists, writers and researchers from UNAM, have shared these same interests. An exceptional editorial program has provided an outlet for their academic production on a wide variety of subjects. These subjects include the history of human populations; social relationships as seen through languages, legends, myths and artistic expressions; the mixture of pre-Hispanic roots and Spanish influence during the Colonial epoch, etc.

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A new era for Voices of Mexico

*Julio Labastida**

Voices of Mexico was started with the aim of providing North American readers with information on cultural, social and political aspects of Mexico, and in particular those which might contribute to a better understanding between our two regions. The magazine was born of the conviction that those interested or potentially interested in Mexico should be better informed, and that the wider dissemination of knowledge and mutual awareness would have a positive effect on the relationship between our two societies.

Mari Claire Acosta, who directed the magazine from the time it was started, together with the rest of her team made an intense effort to realize this aim. The National University of Mexico wishes to express its gratitude for her dedication, and for the excellent results which she achieved.

This issue marks the beginning of important changes in Voices of Mexico, although the original objectives of the magazine have not been altered. The aim is to adapt our material to the changing relationship with our northern neighbors. First, starting with this issue, the magazine has been incorporated into The Center for Research on the United States. This change means that the Coordination of

Humanities will not merely maintain its present level of involvement, but even increase its interest and support for Voices of Mexico so that it might more fully achieve its goals.

From now on Voices of Mexico will be located in a research center, one of whose main purposes is to improve the relationship between Mexico and its northern neighbor. Some of the researchers at the center specialize in the analysis and development of this dialogue.

The links between Mexico, the United States and Canada are going through a period of redefinition and intensification. We need to increase the scope of our knowledge and sensitivity in regard to the implications which those changes will have on the economic, cultural, social and political life of Mexico. This is one of the principal tasks for The Center for Research on the United States. Likewise, there should be more information about the realities of Mexico in those countries.

The Center for Research on the United States, in spite of its present name, has also developed a program which studies Canada, which undoubtedly will become increasingly important. It has a nucleus of specialists with the necessary awareness and contacts to provide even greater and more effective means of keeping both our current and potential readers informed.

* Coordinator of Humanities.

We should like to emphasize that the University is conscious of the fact that while our relationships with our Anglo-Saxon neighbors are intensifying we should not weaken our historical ties with Latin America, whose links with us form a critical part of our national identity. Furthermore, the University is firmly convinced that these ties need to be strengthened to enhance cooperation in cultural, social, economic and political spheres. To this end, the University has several programs which are specifically oriented towards Latin America.

In the case of Voices of Mexico and the research center where it is published, this awareness takes the form of the need to ensure that the magazine remains receptive to topics and problems which we have in common with other Latin American countries, and which affect our relationship with countries in the northern hemisphere.

In the light of these objectives the decision of our university rector, José Sarukhán, to choose Hugo B. Margáin as the new director of the magazine was very fortunate. Hugo B. Margáin's intellectual, professional and diplomatic background make him an expert not only on Mexico, its connections with Latin America and the challenges it faces in the new international context, but also on the society and culture of the north. His prestige in intellectual and diplomatic spheres allows him to attract contributors of high quality and relevance, as he has done in this issue.

Finally, I would like to make special mention of the excellent work done by Mónica Vereá, the director of The Center for Research on the United States, who performed the delicate task of developing the magazine's approach, and making it a part of the center's program of activities ❧

A Mexican perspective on the FTA agenda

Gustavo Vega*

The shift in Mexico's economic policies

Mexico's decision to seek free trade with the United States and Canada was a result of a number of internal and external factors. Amongst the most important was the opening of the Mexican economy. For over forty years, Mexico's development strategy had emphasized internal growth. However, the weakness of the world oil market and the scarcity of external funds following Mexico's debt crisis made the Mexican government break with tradition in its import substitution policies, and seek revenues through exports.

In the last five years, Mexico adopted liberalization policies making its economy one of the most open in the developing world. When Mexico joined the General Agreement on Tariffs and Trade (GATT) in 1985, the maximum Mexican tariff fell from a level of 100 per cent to 20 per cent in five years.

Mexican law and enforcement of intellectual property protection is also undergoing changes. Plans to strengthen patent protection and improve the enforcement of trademarks and trade secrets have been

* Director of the Mexico-U.S. Studies Program for International Studies at the prestigious *Colegio de México*.

Gustavo Vega presented the following paper at the Free Trade discussions at the Council on Foreign Relations in New York. This abridged version examines some of the key aspects of the Free Trade Agreement. Well versed in the issues, Vega presents an in depth analysis, using the Canada-U.S. Agreement as a point of reference. He identifies problems and pinpoints areas where Mexico needs to protect its interests.

announced. In May 1989 Mexico made sweeping reforms to its foreign investment regulations, which meant, among other things, allowing up to 100 per cent foreign investment in companies dealing with unclassified activities¹.

¹ This category includes 72.5 per cent of the 754 economic activities within the Mexican economy. Some of the industries are glass, cement, iron, steel and cellulose. For further details, see United States International Trade Commission, *Review of Trade and Liberalization Measures by Mexico and Prospects for Future United States Mexican Relations*. Washington, D.C. USITC Publication 2275, April 1990.

These modifications will make transition to regionalization smoother since the measures required to decrease protectionism in a Free Trade Agreement (FTA) will have a less traumatic effect on the Mexican economy.

Reasons behind the decision to join the Free Trade Agreement

Existing trade between Canada, Mexico and the United States was an important factor in Mexico's decision to join the free trade talks. About 70 per cent of Mexico's trade is with the

United States. Mexico's total trade with Canada (about 2.5 billion) was greater than its trade with all of Latin America. While Canada is the United States' largest trading partner, Mexico is in third place. There is also substantial foreign investment among the three countries.

Mexico's interest in the FTA is partly defensive. Mexico and Canada compete in several export products in the automotive, textile, apparel, furniture, and petrochemical areas. By pursuing the free trade option, Mexico might prevent Canada from gaining a margin of preference through its agreement with the U.S. The consolidation of the European Community in 1992 could also contribute to trade diversion. Thus the FTA becomes an "insurance policy" against U.S. protectionism and a means of insuring access to its largest export market.

The Free Trade Agreement will further open Mexico's borders to imports, forcing Mexican companies to become more competitive. There are two aspects to this issue, and some feel that Mexico will become more vulnerable to U.S. trade policies. Others recognize that as Mexico develops more competitive products, its trade with countries outside the region could become more diversified.

An important added attraction is looking at the FTA as an appropriate precedent for extending free trade throughout the Americas. A single expanding agreement is preferable to a "hub and spoke" system in which the United States signs independent, sequential, bilateral agreements. Although the United States might derive economic benefits from preferences in separate agreements, the technical complications of regulating trade procedures and the resulting increased dominance at the expense of its partners is not in its own best interests.

Options for Mexico-United States-Canada trade talks

There appear to be two basic options for negotiations:

1. Mexico could join the existing Canada-U.S. FTA to form a North American Free Trade Agreement (NAFTA)².
2. An umbrella agreement could be negotiated encompassing Mexico, the U.S. and Canada with the possible addition of a few other countries³.

Pursuing the first course could pose diverse problems that involve specific bilateral needs. Flexibility would be required in dealing with the energy, automotive, service and cultural industries.

A core or umbrella Free Trade Agreement

Article XXIV of the GATT directs that parties to a general agreement eliminate all barriers to almost all trade in goods as a prerequisite to the creation of a valid free-trade area. A Mexico-U.S.-Canada agreement will regulate three types of trade barriers: tariffs, contingent protection measures and non-tariff barriers (NTBs).

The principal tariff issue is the speed with which they are eliminated. Canada and the U.S. agreed to three stages: immediate, in five annual steps, and in ten annual steps. Although the agreement considers safeguards during the transition period (1989-1998) if imports from the other country grow, endangering local producers, no special treatment is

“Mexico, among the most open economies in the developing world”

The essential feature of the core or umbrella option would be "...a common free trade area with common rules for trade in goods among the three economies... [and] a common institutional framework for the North American FTAs⁴."

² See Michael Hart, *A North American Free-Trade Agreement. The Strategic Implications for Canada*. Centre for Trade Policy and Law and the Institute for Research on Public Policy, Ottawa and Halifax, 1990, p. 129.

³ See Richard Lipsey and Murray Smith, "The Canada-U.S. Free Trade Agreement: Special Case or Wave of the Future?" in Jeffrey Schott (ed), *Free Trade Areas and U.S. Trade Policy*. Institute for International Economics, Washington, D.C., 1989. And Richard G. Lipsey, "Canada at the U.S. Free Trade Dance."

⁴ See Murray Smith, "A North American Free Trade Agreement: Agenda and Modalities for the Negotiations." Paper prepared for discussion at a Meeting at the Council of Foreign Relations, New York City, November 5, 1990.

granted to new local industry. The Israel-U.S. Agreement does protect new industries, allowing Israel to introduce and reintroduce ad valorem customs duties, although these will be removed before 1995⁵.

Mexico could take the Canadian approach as opposed to the Israeli, since it is already instituting unilateral tariff liberalization. This position does not take into account massive real exchange rate devaluation and wage reductions (1985-1988) that eased the effects of severe adjustment problems for competing import industries.

However, once the Mexican government implemented the

⁵ See Howard F. Rosen, "The U.S.-Israel Free Trade Agreement" pp. 97-120; also Dennis James Jr., "The Agreement on Establishment of a Free Trade Area between the Government of the U.S. of America and the Government of Israel" pp. 121-130.

Solidarity Pact Program at the end of 1987, the more stable exchange rate did have an effect on competing import industries. Mexico is therefore being pressured to reduce the timetable for phasing out remaining tariffs and easing the adjustment process. Eliminating tariffs over a period of fifteen years (the U.S. and Canada agreed to from seven to ten years) would give Mexican producers better access to the U.S. and Canadian markets while still retaining some temporary protection in the Mexican market⁶.

government procurement practices, quality and safety standards, or quantitative restrictions on agricultural products and similar measures.

Mexico's first and foremost concern regarding contingent protection measures is to obtain free access to markets without the threat of unpredictable political and legal challenges. Mexican industry will be likely to make the necessary adjustments and long-term commitments required to maximize

anticipated. This threat of harassment posed by legal action may deter Mexican investment in new plants and equipment. The Mexican government would need to anticipate potential problems and spell out, as fully as possible, the rules and procedures regulating any bilateral arrangement.

The Mexican government would be well advised to take into account the precedent set by the Canada-U.S. FTA. Canada obtained protection from "side-swiping" in U.S. global safeguard actions (article XIX). The same preferential treatment could be granted to Mexico.

Canada also tried to achieve exemption from U.S. fair trade laws and anti-dumping duties. Although this was unrealistic, the two countries did agree to develop a mutually acceptable set of trade remedy laws within five to seven years. While this is underway (if it is ever accomplished), a "bi-national dispute settlement mechanism" acts as watchdog. It provides for bilateral review of proposed changes in current regulations in either country and calls for specifying the other country explicitly for the law to apply. All changes must be consistent with the GATT and the FTA.

The other function of the bi-national dispute settlement mechanism is supporting a bi-national

“Contingent protectionism is still very much alive”

The low cost structure of Mexican industry is likely to influence the request for extended tariff elimination. A realistic scenario, therefore, might involve eliminating most tariffs over a period of ten, twelve or even fifteen years, providing that each industry is consulted and ready.

Whatever the time frame chosen, I believe that an extensive program of adjustment assistance and global safeguards would be desirable to achieve the benefits of freer trade at the lowest possible cost.

Mexico's exports to the U.S. market are vulnerable to several types of non-tariff barriers. There are two categories:

- Contingent protection measures, such as anti-dumping duties, countervailing duties and safeguard or "escape clause" actions.
- Laws and regulations which, either explicitly or through administrative practice, impose discriminatory burdens on goods of foreign origin through

the economic benefits of free trade only when entrepreneurs and investors are confident of the permanence and effectiveness of the arrangements.

U.S. trade policy is created and applied through decentralized political and legal processes that enhance the influence of relatively small and narrowly based interest groups such as unions and trade associations. The best examples of this power fragmentation are the legal mechanisms that provide producers with contingent protection from import competition.

U.S. producers suffering serious injury from competitive imports have recourse to countervailing duties, anti-dumping duties and emergency protection. The domestic producer doesn't have much to lose when launching a costly lawsuit against foreign rivals, even if the claim is proven groundless.

Since the lawsuits are initiated by private firms, they cannot be

review panel that replaces domestic judicial review. Final decisions are binding on both parties.

It is not likely that the U.S. would agree to exempt Mexican goods from anti-dumping or countervailing duties. Nor is it probable for Mexico and the U.S. to agree on trade remedy laws. The bi-national dispute settlement mechanism would be a better strategy. The success of this system depends on

⁶ See Herminio Blanco, Senate hearings.

the neutrality of a panel from both countries chaired by an impartial person, possibly from a third country.

The second category of NTBs is unquestionably one of the most difficult areas of the U.S.-Mexico trade agreement. It involves the application of phyto-sanitary requirements to agricultural produce and livestock, matters that are currently under negotiation in Geneva.

Other significant NTBs are quantitative restrictions on textiles, steel, apparel and agricultural produce. Mexico made some progress on quotas during the negotiations. Textiles were expanded by 25 per cent; steel doubled. Further, all U.S. quotas will be eliminated by 1992⁷. Even if political pressure extends them, Mexico should be able to increase the present quota levels.

U.S. agricultural quotas are used to restrict trade in poultry, dairy and

⁷ U.S. International Trade Commission, Review of Trade and Liberalization... *Op. Cit.*

meat products. Various subsidies are applied in support of domestic supply management programs. Canada maintains the same restrictions and imposes seasonal tariffs to support farm income. Mexico requires import licenses for sixty agricultural categories (grain, oilseeds, dairy products and others)⁸ as well as establishing quotas for almost all major agricultural commodities.

Intellectual property and foreign investment

Substantial progress has taken place in this area. Major changes in the intellectual property law have been announced which would increase the patent terms to 20 years, protect product and process patents previously unprotected, and strengthen the trade secrets law.

Once the measures have been

“No side-swiping”

The task of harmonizing current agricultural support policies through negotiations is likely to be technically complex and politically difficult. The U.S.-Canada FTA set the reforms in the GATT talks, rather than in a bilateral setting. This same logic could justify deferring free trade for produce.

⁸ U.S. General Accounting Office, *U.S. Mexico Trade: Trends and Impediments in Agricultural Trade*, January 1990.

approved by Congress, Mexico will have instituted greater protection than Canada presently offers. This will facilitate negotiating the point that was one of the most difficult in the U.S.-Canada talks.

The same is true for foreign investment. In May 1989 Mexico liberalized its foreign investment regulations, creating greater transparency, increased potential for foreign participation and more

Highlights of five years of

March 1985

U.S. President Ronald Reagan and Canadian Prime Minister Brian Mulroney met. They agreed to request their respective ministers to explore the possibilities for reducing and eliminating trade barriers.

September 1985

President Reagan and Prime Minister Mulroney exchange letters of resolution to negotiate a Free Trade Agreement (FTA).

October 1987

U.S. and Canadian negotiators sign a draft of the Agreement.

December 1987

The heads of both delegations

ratify the text of the Agreement. The final version is sent to the U.S. Congress and the Canadian Parliament.

January 1989

The FTA between the U.S. and Canada goes into effect.

March 1990

The Wall Street Journal publishes an article asserting that Mexico and the United States have agreed to initiate negotiations to develop a Free Trade Agreement.

April 1990

The Mexican Senate sets up a forum for consultations on the FTA.

June 1990

The U.S. Senate opens hearings on a "fast track" bill that would allow President George Bush to negotiate directly with President Carlos Salinas. Both Presidents issue a joint communiqué announcing their intention to negotiate a FTA, and instructing their respective trade representatives to explore the possibilities.

August 1990

The Mexican Secretary of Commerce and the U.S. Trade Representative meet and issue a joint recommendation to President George Bush, urging that the U.S. and the Mexican President initiate FTA negotiations.

efficient application procedures. The need for foreign capital will probably accelerate the pace of reforms and reduce the number of exempted sectors.

Problem areas: services and energy

One of the major attractions of the FTA for Mexico is that some sectors can be excluded from bilateral or trilateral negotiations. Article XXIV of the GATT has been interpreted as authorizing the exclusion of up to 20 per cent of the total trade in goods among members of a legitimate free trade area. The Europeans have limited the scope of their agreements to industrial goods. Agriculture, services, transport, insurance and labor are not included⁹.

Although trade in service industries will require special

⁹ See Victoria Curzon Price, *Free Trade Areas, The European Experience, What Lessons for Canadian-U.S. Trade Liberalization*. C.D. Howe Institute, Scarborough, Ontario, 1987, pp. 48 ff.

regulations, it will figure very prominently in the Canada-Mexico-U.S. talks, since all three countries have awarded it a high priority¹⁰. In 1985 services represented 62 per cent of Mexico's gross national product (GNP) and 60 per cent of total employment. Mexico can be considered a service economy¹¹, although service exports only represent about 30 per cent of the total non-factorial receipts. Service imports were about the same 30 per cent.

Even when a country is willing to negotiate, it has to define what to negotiate and how. Services are difficult, first because of insufficient research and therefore little or no

¹⁰ Mexico is one of the few developing countries that supported including this area in the Uruguay Round.

¹¹ See Fernando del Mateo y Francoise Camer, "México frente a las negociaciones de servicios en la Ronda Uruguay" in Blanca Torres (et. al.), *La Adhesión de México al GATT. Repercusiones Internas e Impacto sobre las Relaciones México-Estados Unidos*. México, El Colegio de México, 1989, pp. 359-388.

concrete information. Second, there is no easy way to estimate the effect of liberalizing trade in services. Thirdly, there is still insufficient data on the consequences of existing barriers.

Effective analysis of service trade issues must focus on national regulatory arrangements specific to each service. Government procurement preferences for local suppliers are a major trade impediment in engineering and construction services. However, restrictions and cost increasing regulations on business data transmission are a major irritant to those who trade in financial and business consulting services.

The fact that each particular service industry is affected by regulations that are virtually unique suggests that future negotiations on services should be conducted on a sectoral basis. Mexico has been working on trying to solve this problem. To this effect, a survey was conducted by the Ministry of Trade and Industrial Development in collaboration with the private sector.

free trade negotiations

September 1990

President Carlos Salinas appoints an Advisory Committee for FTA negotiations and informs President George Bush that Mexico intends to sign a Free Trade Agreement. President Bush sends a bill to Congress so negotiations can be initiated. Canada expresses its desire to join the largest trade bloc in the world.

February 1990

President Salinas, President Bush and Prime Minister Mulroney agree to start trilateral negotiations for setting up a North American FTA.

May 1991

The U.S. House of

Representatives votes in favor (231 to 192) of approving the "fast track" for negotiating the FTA with Mexico. The U.S. Senate also approves the motion (59 to 36) to give President Bush the authority to negotiate.

June 1991

Trilateral negotiations between Canada, Mexico and the U.S. are initiated in Toronto, Canada. The issues discussed include access to markets, trade regulations, investment, technology transfer, services and settlement of disputes.

August 1991

The ministers of commerce

of the three countries meet for a second time in Seattle, Washington. They agree on a gradual reduction of tariffs, to be carried out in three stages, on all products to be imported and exported between the three countries. They resolve to make an in depth analysis of the restrictions on government purchases in the three nations. In addition, a working group is created to strengthen the Mexican assembly plant program. The governors of the fifty U.S. states express their support for the negotiations.

The results indicate that Mexico would be willing to negotiate in 14 service sectors¹². Negotiations would only consider trade in services, not investment flows. The latter would be negotiated independently.

One important point made by all the survey participants was that opening the service sector to outside competition would force local industry to become more efficient and competitive. The areas where Mexico is willing to grant concessions include: tourism, insurance, telecommunications, informatics and engineering services. Mexico would like to receive concessions in engineering, construction and other labor intensive services.

no doubt, be a thorny one, as it was in the U.S.-Canada Agreement.

Another difficult area is energy. This is a sector that calls for a specific bilateral agreement between Mexico and the U.S. The Mexican government insists on excluding the area from negotiations. However, I feel that this does not mean leaving bilateral trade rules out. It is my opinion that Mexico's main concern with natural resources is whether the Free Trade Agreement will restrict our ability to impose production quotas, taxes and export controls for national security and industrial policy purposes. GATT regulations specifically provide for such controls, unless they are discriminatory or

vehement about Mexican involvement. Foremost among their concerns are the issues of wages and environmental controls.

Assembly operations in Mexico take place primarily in *maquiladora* (in-bond) plants. These industries were first established along the Mexico-U.S. border in 1964. American industries were permitted to import components, pay Mexican wages to employees (mostly women) to assemble the product and return it to the U.S. American and Canadian labor leaders stress that the in-bond *maquiladora* plants displace American and Canadian workers. Further, they claim that a serious erosion of Mexican standards of living and human rights is taking place. In effect, these leaders are recommending that any trilateral agreement with Mexico include the acceptance of common standards for workers, social policy and environmental protection.

It is not realistic to expect Mexico to sign a social charter guaranteeing equal wages. It is difficult for developing countries to attract industry without the wage incentive. Let it be said, though, that wage levels at the in-bond *maquiladora* plants are about double those in other places in Mexico.

The nature of the *maquiladora* program is undergoing change. "Second wave" industries are investing substantial amounts of capital in complex technology. They produce more sophisticated products in the automobile related industry and in advanced electronics. The number of male workers¹³ employed has increased from less than 20 per cent

¹³ Jorge Carrillo, "Transformaciones en la Industria Maquiladora de Exportación" in Bernardo González-Aréchiga and Rocío Barajas Escamilla (ed.), *Las Maquiladoras: Ajuste Estructural y Desarrollo Regional*. El Colegio de la Frontera Norte - Fundación Friedrich Ebert, Tijuana, México, 1989, pp.37-54.

“Services, energy, labor and the environment: sensitive areas!”

Sensitive issues

This brings us to what may well be the principal stumbling block in service negotiations between Mexico, the U.S. and Canada. While the two latter countries are likely to focus on areas such as financial services, telecommunication and informatics, they are reluctant to liberalize trade that involves labor displacement or utilization, where Mexico has the advantage.

The disparity in wage levels will certainly arouse concern among industries and workers faced with increased competition, making it difficult for the U.S. and Canada to include this issue in the FTA. However, Mexico's recent reforms in financial services and willingness to provide greater access to its service market may very well put pressure on the U.S. and Canada to accommodate Mexican concerns about trade in labor intensive services themselves. The issue will,

¹² We refer to the Uruguay Round, not specifically the U.S. or Canada.

act as disguised restrictions on international trade.

The United States will probably seek legal assurances of access to future Mexican energy supplies, as in the Canada-U.S. Agreement. Any guarantee to U.S. consumers must recognize Mexico's authority to limit exports to meet anticipated domestic requirements. Article XX(g) of the GATT authorizes signatories to maintain non-discriminatory measures that involve the preservation of non-renewable resources, if the measures are consistent with restrictions on domestic production or consumption. A similar stipulation could be included in any general agreement covering trade in natural resources.

Although the U.S. and Canadian governments, as well as many economists and private enterprise groups favor a NAFTA that includes Mexico, the issue has become a contentious one. Labor movements in both the U.S. and Canada generally opposed the initial Canada-U.S. agreement and are now even more

The Trade Liberalization Process

	Rates	Tariff level	Average tariff	Controlled items (%)	Free items (%)
1982	0-100	16	—	100	0
1983	0-100	13	—	100	0
1984	0-100	16	—	64	35
1985	0-100	10	11.17	10	90
1986	0-45	10	13.49	8	92
1987	0-20	5	10.43	4	96
1988	0-20	5	5.60	8	92
1989-					
1990	0-20	5	11.00	3	97

Trade liberalization started in 1985 when Mexico formally applied to enter GATT, with full membership attained the following year. By the end of 1987, official prices were eliminated as the basis of tariff levies, and substantial tariff reductions were implemented in early 1988 as part of an ambitious, and so far successful, anti-inflation program. Today the average tariff is only 11% and, more importantly, there are now only 5 tariff levels ranging from 0% to a maximum of 20%, down from 16 levels and a maximum levy of 100% in 1983. With regard to non-tariff controls, the reduction was dramatic: nine years ago, 100% of imports were subject to some form of quantitative restriction: by 1989, such barriers applied to only 3% of Mexican purchases abroad.

Source: MEXICO: AN ECONOMY ON THE MOVE, Department of Economic Studies, BANAMEX (Banco Nacional de México).

ten years ago, to about 35 per cent, today. That number is as high as 50 per cent in some sectors, such as transportation equipment¹⁴.

The "new maquiladora" phenomenon is positive for Mexico's

development. While earlier plants generated foreign exchange and jobs, now workers are trained and sophisticated products are assembled with an increasing number of locally produced components (an increase

from 1.7 to 6 per cent). Further, there are now in-bond plants as far south as Guadalajara.

International differences in tolerable levels of environmental risk exist owing to the way that standards in each country tend to vary with income levels. Low income economies recognize environmental and health risks but cannot afford regulation structures such as those in prosperous countries. Mechanisms must be developed to accommodate differences in national priorities originating in economic and cultural realities.

One possibility would be to establish intermediate standards, parallel to the concept of intermediate technologies. This would not mean downgrading U.S. and Canadian regulations but rather upgrading Mexican standards while recognizing that the social cost must be relative to national income.

The fact remains that there is already considerable economic integration among Mexico, the United States and Canada. Mexican liberalization measures have made a North American Free Trade Agreement more feasible today than ever before. Although labor in the U.S. and Canada oppose the agreement, we would hope that negotiations will not cater exclusively to special interest groups, but rather work towards improved benefits and lower costs for all three countries as a unit **M**

¹⁴ Harley Shaiken, *Mexico in the Global Economy: High Technology and Work Organization in Export Industries*. Monograph Series, 33. Center for U.S.-Mexican Studies, UCSD, La Jolla, CA., 1990, p. 12.

The lack of information and open debate about the Free Trade Agreement (FTA) between Canada, Mexico and the United States, has produced a plethora of myths and extremist positions. It is important to dispel them so that underlying issues of the democratization of relations between Mexico and the U.S. can surface and be dealt with. The goal is to build a productive, unexplosive relationship where in the past it has been one governed by the undemocratic "law of the strongest".

The free trade agreement, not a panacea nor an apocalypse

Mexico's current administration is trapped between the real need for modernization and the mirage of easy solutions. The governing powers, which include both the "Economic Cabinet" and large foreign and local business interests have become the main promoters of the theory that the Free Trade Agreement is almost a panacea.

Once the President of Mexico announced his intention of signing a Free Trade Agreement in 1990, in Washington the official discourse

began billing the Agreement in the media as the provider of multiple benefits, namely:

- A share in the largest market in the world
- The elimination of Mexico's export barriers
- An unprecedented increase in exports
- An unequalled flow of foreign investment
- Jobs
- An increase in the population's standard of living

Statements have been made, with slight variation of words, that the Free Trade Agreement represents the last chance in this century for Mexico to leave under-development behind and join the First World. If the Free Trade Agreement is not signed, this line of thinking goes on to say, we will be isolated from the modern world's integrationalist current and therefore condemned to poverty.

The other extreme reacts to the Free Trade Agreement as though signing would be tantamount to apocalypse. This ultraradical position predicts that the Free Trade Agreement will bring on disasters, among them:

- The invasion of foreign merchandise and services
- Total alienation of the national productive plant
- Waves of unemployment due to massive bankruptcies
- Perpetuation of subsistence wages
- Subjugation of our own culture
- A total loss of sovereignty
- Annexation to the United States

The ideological positions underlying the panacea and apocalypse theories are trivial and transparent. Both lose sight of the fact

Pros and cons of the Free Trade Agreement

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that the Free Trade Agreement, like any other legal instrument, can have a variety of repercussions, and therefore rigidly predicting either dire or utopic consequences is entirely futile.

It is, therefore, unwise to deal with the Free Trade Agreement as a blessing or a curse. It is not possible to support or reject it until the final document has been drawn up.

We can, however, use facts to project a Free Trade Agreement that would take the trends in our world into account. In fact, this is the role of both conscientious politicians and social scientists committed to averting problems and finding solutions to focus on these issues. We therefore believe that a constructive debate should be held to discuss:

1. The Free Trade Agreement's regulations in terms of both Mexico's interests and in terms of the need to mend our relationship with the neighbors to the north, especially the United States
2. The type of Free Trade Agreement that would focus objectively on our current reality to clarify the first point
3. Alternative ways to reconcile the first two points, and characteristics of other possible Free Trade Agreement that would meet our needs in addition to the one under negotiation, as well as ways to achieve our own national goals, with or without the FTA

Voices of Mexico is an excellent place to publish our opinions. The long-range effect of the Free Trade Agreement deserves a full multi-national debate, and *Voices of Mexico* provides an ideal forum.

The key: a fair and democratic Free Trade Agreement

Democracy is a means as well as an end, and it can be applied not only

within but also among countries. The "how" of democracy (free elections, par excellence) could also be expressed with "what", "who" and "what for". The inhabitants of civil and geographic entities not only elect their representatives, they also actualize, and benefit, from social change. The lack of a true electoral democracy is, in fact, the basic complaint today, and its implementation is the key to modernization.

Democracy's relationship to principles such as justice, equality and sovereignty are apparent when seen from this perspective. A nation that is not sovereign does not exist in the international forum.

When we look honestly at the history of Mexican-American relations, they don't reflect democratic principles. Without going into excessive detail, let us review the following:

If we compare the Gross National Product (GNP) in Mexico to that of the United States we find that during the 1980's Mexico's GNP dropped from 16 times less to 27 times less than that in the United States. The per capita income also dropped from 6 to ten times less than in the U.S. A principal factor was the unprecedented aperture of the Mexican economy.

This means that as U.S.-Mexico relations grew, the U.S. profited from a disproportionately larger economic benefit. The political arena tends to reflect the same situation. Mexico's last two administrations (De la Madrid and Salinas de Gortari) have made an effort to smooth differences. Their parallel administrations (Reagan and Bush) seemed to increase demands and pressure, not to mention the relatively unfriendly signals such as the Simpson-Rodino Law and the increasingly alarming numbers of Mexicans killed on the border.

It is clear then that basic modifications have to be made in order to improve Mexican-American

relations and make them productive within a truly democratic framework. This could be the cornerstone of a democratic Free Trade Agreement.

The main focus would be to create, or at least lay the basis for, the necessary conditions such that the greater part of our relationship becomes an equalization process and not a continuation of the perverse cycle we have known up to now: inequality -integration- greater inequality. The cycle seems to have a political parallel: domination -subjugation- more domination.

Concretely, a fair and democratic Free Trade Agreement could be initiated with guarantees that the United States reciprocate the most recent concessions made by Mexico, such as:

- A real elimination of tariff barriers
- Increased benefits for foreign capital with the new Foreign Investment Regulations (1989)
- Increased incentives for in-bond plants
- A labor policy that favors employers and keeps unions under control
- Greater cooperation with the U.S. in Mexico's costly drug control program and with politically sensitive issues such as Mexico's foreign policy

Another necessary aspect along the same lines is a Free Trade Agreement that would establish preferential treatment for Mexico. This would mean, for example, longer time periods for liberalization of the economy and safeguard clauses for disadvantaged sectors that face competition in the approaching open market (agriculture, capital goods, financial services, etc.).

Unless these measures are included, and even if the Free Trade Agreement were only egalitarian and

not fair, the inequality gap between Mexico and the U.S., far from decreasing, will continue to grow unacceptably.

Summing up, a democratic Free Trade Agreement, in addition to being decided by a majority of the people in each participating country would have to tangibly improve the standard of living and work conditions of both those majorities. On the other hand, in the worst case, the Free Trade Agreement could be the impetus for big business in each country to concentrate wealth; if so, "free trade" will have served to disguise license for the powerful as "democracy".

The problem: the FTA is not very democratic

High U.S. government authorities have pointed out repeatedly that they seek the most benefits from the FTA. This means, in short, creating an economic bloc that can compete successfully with the European bloc in 1992 as well as with Japan and with the Pacific Rim.

Bush himself made this clear with his announcement of the *Initiative of the Americas* on the twenty-eighth of June in 1990. The mission is to create "one great free trade area" stretching from Alaska to Patagonia.

Mexico, within this strategic project, has been assigned the role of a "bridge": the Free Trade Agreement with Mexico is the first step in carrying out the Initiative.

It does not seem feasible for the Free Trade Agreement to fulfill the three suggested elements and at the same time establish a truly democratic process. Far from reciprocating Mexico's concessions, the U.S. maintains a protectionist policy: the "tuna embargo" has reappeared and large consortiums such as *Cementos Mexicanos* have had their exports blocked.

Controversy on the northern border

Work on the construction of a wire mesh fence ordered by the United States government on the Mexican-American border, between San Ysidro and Tijuana, has fired a controversy over the possible American "motives" for wanting such a barrier. At the beginning of June of this year the United States government's plan to build a metal wall with scrap metal from the Gulf War along the border between San Diego and Tijuana was reported in Mexico City. It was later revealed that since May of 1991 repair work had been carried out on the border fence along a twenty-four kilometer stretch of the border between San Ysidro and Tijuana. Soldiers wearing U.S. army uniforms had been building a 2.5 meter high metal wall, using corrugated perforated sheets of metal which had been used by the U.S. army for making improvised landing strips for war planes. The Department of Defense authorized the use of military engineers to supervise the project.

In Mexico this was seen as an indication of the possible militarization of the border under the pretext of putting a halt to drug trafficking and controlling the flow of immigrants, in addition to being an act of aggression against Mexico. Víctor Clark Alfaro, of the Bi-National Center for Human Rights, classified it as a means of increasing control of the flow of immigrants, which increases during the summer. Antonio García Sánchez, the border delegate for the Ministry of Foreign Affairs, said that the official purpose of the steel wall is to shift the flow of immigrants towards the Mesa de Otay zone in Tijuana, where those without papers would be easy prey for the Border Patrol. The Chicano leader, Roberto L. Martínez, observed that for some time now members of the National Guard, the Marines and the Army have been placed along the northern border in California, Arizona and Texas respectively, under the pretext of controlling drug trafficking. Javier Barros Valero, the Under Secretary for the Ministry of Foreign Affairs, said that although the work hardly constituted an act of friendship or good will, it would not cloud relations with the United States nor would it hinder business negotiations between the two countries.

In response, Duke Austin, the spokesman for the Immigration and Naturalization Service, dismissed the affair as irrelevant and said that work on repairing the fence was normal, since, he remarked, it was severely damaged. He denied that there was any connection between this and the slight rise in the number of illegal detainees. Likewise, he characterized the term "border militarization" as an exaggeration. According to a letter from the Pentagon, as announced by a spokesman for the Republican representative, Duncan Hunter, work on the border fence is aimed at more effectively reducing drug trafficking between Tijuana and the port of San Diego. The spokesman indicated that even though the metal wall made illegal crossings more difficult this was not its main purpose. According to United States Embassy officials in Mexico, the aim is not to build any further sections of wall but to simply carry out administrative and repair work.

The borders of the future FTA

The three North American countries each have a different number of land borders. Canada has one with the United States; the United States has two, with Canada and with Mexico; whereas Mexico has three, with the United States, Guatemala and Belize.

Economic asymmetry	Mexico	USA	Canada
Population (millions)	81.4	247.3	26.3
GNP per capita (dollars)	1,760	19,840	16,960
Mean annual growth rate of GNP 1980-88 (%)	-1.4	2.1	2.3
Inflation rate 1989 (%)	19.7	4.6	4.9
Exports 1988 (billions of dollars)	20.7	315.3	111.4
Imports 1988 (billions of dollars)	18.9	458.7	112.2
GNP 1988 (billions of dollars)	151.8	4,863.6	473.4
Wages 1990 (hourly average in dollars)	0.57	10.47	

Source: World Bank and IMF 1990. Taken from IMEP, *Política Mexicana*, Feb. 1991, *El Cotidiano*, May-June 1991.

It seems clear that the tendency to even greater protectionism is being further encouraged by the new recession developing in the U.S. economy.

Sidney Weintraub, an experienced and well informed authority in this field who is known for his support of the Free Trade Agreement, long before the recession summed up the dilemma thus, "a profound and potentially destructive irony." It is worth while to quote him further: "At the time when Mexico begins to modify its policy and focus

outside - something that has been insisted upon for years by several U.S. spokesmen- the U.S. is preparing to enter into its most protectionist period since the great depression...¹"

If reciprocity is difficult today, what can we expect in the uncertain future? The U.S. government wants greater benefits, more than it is willing to give Mexico special advantages or concessions. Many things point to this, among them:

¹ Weintraub, Sidney. *México frente al Acuerdo de Libre Comercio Canadá-Estados Unidos*, IBAFIN-Diana, México, 1989, p. 43.

- The list of new requests formulated by Carla Hills and by the American Chamber of Commerce in Mexico only a few days after President Salinas announced his intention of signing the Free Trade Agreement
- Ambassador Negroponete's confidential memorandum to the State Department, published by a popular Mexican political weekly² glossed over the extensive document that Bush read to sway Congressman who opposed the fast track a few weeks before it was approved

It is not realistic to expect that the Free Trade Agreement will be approved by a majority of the working people in each of the three countries. The Canada-U.S. Free Trade Agreement that went into effect in January 1989 is a first warning. Canadian workers have lost jobs and fringe benefits.

It is significant that in Mexico the strongest support for the Free Trade Agreement is from top political and economic echelons. Those with the greatest reservations or even out-right rejection are the rest of the population, including wide cross sections of small and medium businesses, understandably worried about their future if the cyclone is unleashed: the tendency towards monopoly of free trade. Furthermore, the cyclone will hit Mexico as it is: very vulnerable.

Better slow but steady

If current reality hinders developing a democratic FTA, the most sensible thing to do is to make an effort to create conditions that would promote the changes required to achieve it. The changes are many and complex, and would be likely to include:

² *Proceso* No. 758, May 13, 1991, pp. 8-11.



Marco A. Cruz/Imaginación

Moving on up...

1. The strengthening of Mexico's negotiating power that calls for full democratization, as well as

bringing more like-minded nations together, such as others in Latin America.

2. The fostering of capital democratization in such a way that most business interests, including those in Canada and the U.S., and not just a handful of large consortiums, can compete with a chance to benefit from the FTA.
3. The promotion of a labor policy that would drop subsistence wages as a principal "comparative advantage" for Mexico as negotiations take place with our neighbors.
4. The establishment of economic, political and cultural exchanges to increase the interaction with our neighbors to the north so that Mexico can become closer, rather than more distant, in terms of development and capacity for self-determination.
5. Helping people in the U.S., especially the ruling classes, to learn to be responsible in the deepest sense of the word democratically so that such an ethic can be applied to their relationships with other countries, starting with weak nations such as Mexico.

The last point might be driven home with a plaque on the doors of the Capitol, as well as at universities and multinational corporations, that says: "Perhaps the most important thing is for the U.S. to recognize Mexico's right to self determination... We don't mean this as a self-righteous warning. The U.S. stands to gain a great deal from an independent, prosperous Mexico, and to lose a lot with a weak dependent neighbor³"

³ Peter H. Smith, a highly respected expert in U.S. -Mexico relations. "México y Estados Unidos. Vecinos Incómodos." *Nexos*, No. 115, México, July 1987, p. 41.

The FTA and direct foreign investment from non-member countries

*Alejandro Mercado Celis**

DIRECT FOREIGN INVESTMENT (DFI) in the United States has grown rapidly over the last decade. In 1980 it was reported as being 83,046 million dollars, while in the last nine years it had risen to 400,817 million (Survey of Current Business, 1990).

This unusual increase in direct foreign investment in the U.S. can be explained mainly by two factors. First of all, locating production plants in U.S. territory makes it possible to enter the U.S. market in better conditions and/or evade customs restrictions. Secondly, it enables producers to avoid possible future protectionist measures.

As Mexico is about to enter into a free trade agreement with the United States and Canada this subject is of relevance for our country because, as the trade border is gradually done away with, we may be able to attract part of this foreign investment here, as the objective of achieving a share in

the American market may then be possible from installations located in Mexico.

This article attempts to give a preliminary opinion as to the likelihood of this. With this aim in mind, I shall first analyze Mexico's strategic position once the free trade agreement is set up. Secondly, I shall speak of the role that rules of origin will play in attracting DFI and, finally, I shall talk about the alternatives for U.S. and Canadian capital, and that of other countries cooperating with Mexico.

The globalization of economic processes is the concrete result of the great capacity that the industrial corporations have developed for scattering their production activities over a wide geographical area. Just a few years ago, location possibilities were limited basically to one's own national territory. Now the choices for locating production units may cover the whole world. There may be several countries where one and the same production process could be

Direct Foreign Investment (DFI) in the U.S. has grown rapidly over the last decade. Its relevance for Mexico, on the eve of the Free Trade Agreement with the U.S. and Canada, is that part of this investment capital might be lured south; money that can help Mexican business establish itself in the American market from installations on either side of the border.

located and, of course, several options within each of them.

The freedom to locate production processes or fragments of them in the best possible place according to their requirements in labor or any other production factor is the result of technological progress in transport, in information systems and in the development of the industrial organization's administrative capacities.

Technological and administrative development, which have given a freedom never before known to set up production plants makes it possible to

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use the location of plants and processes not only to bring down costs, but also as a purely strategic tool. That is, to achieve objectives that are not necessarily linked to considerations of the production process itself.

Direct foreign investment makes it possible to reduce frictions caused by deficits in trade balances, to negotiate with particular interest groups in each country, to avoid customs barriers, or simply to take advantage of the artificial differences that national borders promote.

During the years of protectionism in Mexico, investments were made by large industrial corporations which -as they could not export to Mexico from their traditional locations- were obliged by tariff regulations to produce these same goods within the country. Although this process was based on conditions peculiar to Mexico and to the period when these investment took place, we can now see a similar movement in direct foreign investment in the newly forming economic blocs.

Direct investment on the part of countries which are not members of the blocs has started to increase. In the case of Europe, developed countries outside this bloc -due to the possible intransigence of trade policies- have begun to make direct investments in the EC countries. The United States, Japan and Canada, among others, have set up their "beachheads" on the old continent, hoping thereby to have a share in the strengthening of the inter-European market and avoid being excluded from it in the future.

Now, with the Free Trade Agreement between Mexico, the United States and Canada, there may well be a similar movement of capital. The question is: Where will the new investments choose to locate?

In order to answer this question, it is necessary to take into account that industrial investments are not for fully integrated work processes, as was

the case at the stage of worldwide expansion of capital. Industries now fragment their production processes, locating them wherever they find the best conditions for each one of the fragments. This location logic suggests that foreign investments seeking to obtain a share in the market developing in North America will probably decide to install complementary production processes in more than one country.

That is to say, we may expect simultaneous and complementary investments in Mexico, Canada and the United States or in any combination of the three. This will be the case for new investments. However, it is also logical to expect some readjustments among foreign investments already operating in Canada and the United States.

One of the expected effects of the FTA is a reorganization of production processes at the territorial level, as there will be more space open to investment decisions. In other words, we can expect transfers of production processes to any of the three member countries.

However, as the trade border between Mexico and the northern market gradually disappears, Mexico will have large comparative advantages for attracting investment from other countries, as well as from Canada and the United States. For example, the low cost of labor, the development of medium-sized cities offering a wide range of possible locations, and the proximity to the United States and Canada.

Furthermore, one can clearly see how foreign investment from non-member countries reacted rapidly when there were partial reductions in the "trade border" between Mexico and the United States (proof of this is to be seen in the "maquiladora" program). A prominent example of this rapid reaction has been Japanese investment

in Mexico's northern border area¹; investments that, by locating in Mexico, capitalize both on the cost of labor and the fact that the "maquiladora's" output is considered as being "Mexican" for accounting purposes².

On many occasions and in different forums and media, various groups have spoken out against Japanese plants in Mexico, objecting to the fact that their production is destined for the American market. It is pointed out that the Japanese evade taxes, or that in this way they are enabled to cope with possible restrictions in the future. There is also the concern of "organized labor and some manufactures in the United States who fear being displaced by Japanese firms based in Mexico (Sekely, p. 3)."

With such antecedents, it is sure that the participation of other countries in a program intended for American firms will lead to more discussion in the FTA negotiations on rules of origin, whose main objective is to restrict and regulate other countries' share in the benefits brought about by the reduction in obstacles to commerce within the free trade area.

Investments on the part of non-member countries, by locating in

¹ Japanese investment in "maquiladora" plants has increased very rapidly. In 1988, there were 50 Japanese plants of this type (JETRO-Mexico 1990). In relative terms, the Japanese share in the "maquiladora" industry is limited, only 3.3% of the total number of plants. However, it is outstanding for the amount of investment per worker, and the size of the plants (see González-Aréchiga, 1988).

² The aim of the large Japanese corporations' investments on the northern border is to penetrate the U.S. market, taking advantage of the better tariff conditions. "Setting up in Mexican territory enables them to have access to the U.S. market in better conditions, since in spite of the little value added generated in the "maquiladora" plant, because of the fact that they are made -or rather assembled, in this case- in Mexico, the products enter the USA as Mexican exports (SDU), 4.IV.87."

Mexico, seek and will continue to seek, primarily, access to the U.S. market. However, in order to qualify in the FTA they must comply with the regulations that such an agreement will set up for other countries.

The rules of origin are the conditions that decide whether an article produced in a particular country of the three taking part in the agreement should be considered as a national product. It is likely that both on this subject and on others, the clauses already approved in the bilateral agreement between the United States and Canada will be retained. Rules of origin established in that agreement consist basically of the following concepts:

First of all, any product leaving the territory of either of the contracting parties will be considered as national "if it has been transformed in the territory of one or both parties, in such a way that it undergoes a change of classification or, if this is not the case, is included within the clauses authorizing goods that do not change their classification (United States-Canada Free-Trade Agreement, Implementation Act of 1988 Sec. 202, IB)."

On the other hand, "an article will not be considered as originating in the territory of one of the parties (under the above terms), if it has only undergone packaging or mixing operations (except for processes contemplated in the agreement itself) (*op. cit.* Sec. 202, 2A, B, C).

"In the case of articles that undergo no change in classification during the process located in the territory of one of the parties, it will be considered that they have been transformed in the territory of one party and will be treated as a product originating in the territory of one of the parties if:

The value of the materials originating in the territory of one or both parties, that are used in the

With regard to foreign investment, regulations were thoroughly revised and simplified in mid-1989. In activities that today amount to nearly 60% of GDP, investors from other countries can start up businesses with capital of up to 100 million dollars without requiring any kind of authorization from the Government. Full foreign ownership is allowed in activities representing an additional 14% of GDP, subject to a review and authorization process that cannot take more than 45 working days. Minority participation is allowed in activities that generate a further 7% of GDP, and the rest is reserved either to Mexican nationals or the Government. In the near future it is expected that these current regulations will become Constitutional law, thus assuring permanence in the flows of foreign direct investment.

Source: MEXICO: AN ECONOMY ON THE MOVE, Department of Economic Studies, BANAMEX (Banco Nacional de México).

production of goods in the territory of one or both parties, constitutes no less than 50% of the value of the goods when they are exported to the territory of one of the parties (*op. cit.* Sec. 202, 3B)."

These restrictions make it clear that operations of the "maquiladora -type", with a high content of foreign (non-Canadian or non-American) inputs and production processes that are merely assembly, are excluded from the benefits of the agreement unless they can demonstrate a high degree of input on the part of the economies of the countries signing the FTA, in which case their products are not subject to the heavier duties now in force.

At first glance, the rules of origin appear to be an obstacle to attracting direct foreign investment to Mexico, as they might discourage investors who seek an "easy" -duty-free- bridge to the U.S. market. With the approval of the fast track, differing opinions have appeared in the Mexican press with regard to the FTA, in particular warnings of the negative impact of the rules of origin for Mexico.

It has been categorically pointed out that if these rules are applied "it would practically shut the door to the possibility that has been talked of a

good deal in the last few months, of foreign investment pouring into Mexico to set up 'maquiladora' plants alongside the largest market in the world and in the paradise of cheap labor (Chavarría, 1991)."

On the contrary, in my opinion the rule of origin not only does not eliminate Mexico's comparative advantage (as the rules apply in the three countries) but, in addition, it might be used to help achieve the objectives that have always been pursued through foreign investment. That is, transfer of technology, training of labor, integration into the national economy, etc.

In spite of the fact that this subject will have to be handled very carefully in the negotiations, thinking that the rules of origin are only a tool to benefit Canada and the United States is equivalent to imagining the only possible role for Mexico as that of the "biggest 'maquiladora' in the world."

The certificate of origin may, and must, become a strategic tool for getting the greatest benefits from DFI. This will only be so if Mexican entrepreneurs and the government assume a definite position in which joint participation is sought in new investment projects. It must be admitted that Mexican industry's

lack of integration with the "maquiladora-type" industry is largely explained by the passivity of Mexican entrepreneurs.

In Sekely's words, "One powerful explanation for this situation [the lack of strong linkages with Mexican suppliers] that is often overlooked is that entrepreneurs in the heartland of Mexico remain largely indifferent to the fact that, in the midst of a nationwide recession, there is an industrial boom on Mexico's northern border."

The free trade agreement on the horizon and all the new conditions stemming from it will require –if we are to take full advantage of it– a radical change in the Mexican entrepreneurs' way of doing business. Without this far-reaching change, the benefits of the FTA will flie to more dynamic economic areas.

Thus we must seek and experiment with models of operation that have not been used in Mexico as much as they should. One must not lose track of the fact that the globalization of the world economy remains in a stage of experimentation, finding alternative means of cooperation between the different industrial corporations.

For example, the so-called "joint ventures or cooperative agreements between companies which provide relatively cheap means for the competitors to gain access to technology and penetrate key markets."

Other types of cooperation that would enable other countries to share



Marco A. Cruz/Imagolatinia

Working hard, and attractive to foreign investors.

in the North American free trade area have been clearly set out by the Mexican-German Chamber of Commerce and Industry. In addition to the already described model, it proposes, among others, "Cooperation Projects" that consist of drawing up agreements between firms in which the foreign party is only a technological, not a financial, partner. The foreign company would further the transfer of technology, provide production installations and also draw up a long-term cooperation agreement that includes licenses, training and transfers of technical knowledge (Von Othegraven, 1991)."

This is merely one example of the possibilities that exist for setting up cooperation projects between countries outside the FTA and Mexico. We have much to gain from

them, not only with regard to the creation of jobs, but also the transfer of technology, the incorporation of Mexican inputs, training of labor at all levels, and the assimilation of more aggressive business techniques.

That it is so obvious should not make us overlook the fact that this type of cooperation ought to be put into practice mainly with Canadian and American partners. In spite of all we have already said, Canada and the USA will also benefit from other countries' direct investment in Mexico. First of all, because it will certainly generate new investments in their countries and, to the extent that Mexico's economy grows, there will be increasingly large benefits to be reaped by their economies too. **M**

The National Museum of Anthropology

Mari Carmen Serra Puche*
Karina Durand Velasco**



INAH-CNCA-Mex.

Umbrella.

THE NATIONAL MUSEUM OF ANTHROPOLOGY is Mexico City's point of rendez-vous for Mexicans and foreigners alike. They meet in an extraordinary building which is home to more than three thousand years of history. This cultural and ecological mosaic projects the image of Mexico, asserting its part in universal history.

More than fifty million people have visited the Museum since it was opened in 1964. It was built by the well known architect Pedro Ramírez Vázquez, who assembled a team of anthropologists, archaeologists, engineers, educators, artists, emissaries from indigenous groups and hundreds of laborers for the project. Together, they created the building that stands in the heart of Chapultepec Park. Its 30 thousand square meters (322, 920 square feet) blend harmoniously into the green surroundings, complementing the black and white of the spacious stone and marble plaza leading to the entrance hall.

Visitors are welcomed by *Tlaloc*, a *Coatlinchan* monolith from the *Teotihuacan* culture, who lords over the *Paseo de la Reforma*, Mexico's equivalent of the Champs Elysées. The entrance lobby leads to the temporary exhibits hall, the Jaime Torres Bodet Auditorium that proudly

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**Assistant to the Director of the Museum of Anthropology.



INAH-CNCA-Mex.

Teotihuacan deity known as Tlaloc.



INAH-CNCA-Mex.

The stone of the Sun.



INAH-CNCA-Mex.

The monolithic figure of Coatlicue, a Mexican deity.



INAH-CNCA-Mex.

A Mayan mask of the Sun God.



INAH-CNCA-Mex.

Xochipilli, the Flower God of the Mexicas.

displays a spectacular Tamayo mural, the Museum shop, as well as to the Information, General Services and administrative offices.

Facing the entrance is a large glass wall, and beyond a grand courtyard surrounded by exhibition rooms. A thirty meter high carved column supports the umbrella which makes up the water fall, creating a delicate screen. The fountain was designed by José and Tomás Chávez Morado, well-known artists, who fashioned symbols that evoke the fusion, the *mestizaje*, of that which is contemporary with the early, native Mexican heritage.

The ground floor displays archaeology from the Pre-Hispanic world. The north wing introduces the visitor to Mesoamerica, displays which present the historical context of the peoples of the central valleys of

Mexico. We see early discoveries of prehistoric people and the first agricultural settlements. Later we see the monumental urban development of Teotihuacan, a prototype of the Classical period in Mesoamerica. Walking on we come to the early Post-Classic period represented by the militaristic development of the city of Tula.

The culmination, facing the entrance lobby, includes an extraordinary sample of the art created by the *Mexica* people. This hall is adjacent to a pond, which emphasizes its importance as the main exhibition of the museum, while recreating a small sample of the ecological environment where the culture evolved.

When the Spaniards arrived, the *Mexica* people were the leading political and economic power

among the Mesoamerican nations. *Tenochtitlan*, the capital, was later transformed into a blooming new Hispanic city, the origin of today's impressive Mexico City.

The exhibition halls on the south wing display the regional development of the following cultures: *Zapotec* and *Mixtec* found in Oaxaca, *Olmec*, *Huastecos* and *Totonacos* from Veracruz, lowland and highland *Maya* and the groups from the North and West of Mexico. Each hall is organized in chronological order.

The second level presents the ethnology of Mexico. This realm of anthropology deals with the observation and analysis of particular groups of people, and the lifestyle and habits of living communities are recorded as accurately as possible. The indigenous population of Mexico has roots in two



Main entrance and esplanade of the museum.

cultures. On the one hand it has retained and developed elements of the Pre-Hispanic cultures, and on the other it has assimilated traits from Europe, Asia and Africa since the 16th century.

The indigenous groups are organized by geographic area or by cultural heritage, so the visitor can obtain a global vision of the specific traits in each group. We meet the *Cora* and *Huichol* people from the West of Mexico, the *Tarascos* from the state of Michoacán and the many groups of *Otomi* scattered over several states. There are also presentations of the way the *Totonacas* and *Huastecos* lived in Veracruz, as well as the Maya on the high and lowlands of the south of Mexico.

Our visit comes to an end at the *Nahua* Room which displays the customs of the largest group of indigenous people in Mexico, widely distributed throughout the country.

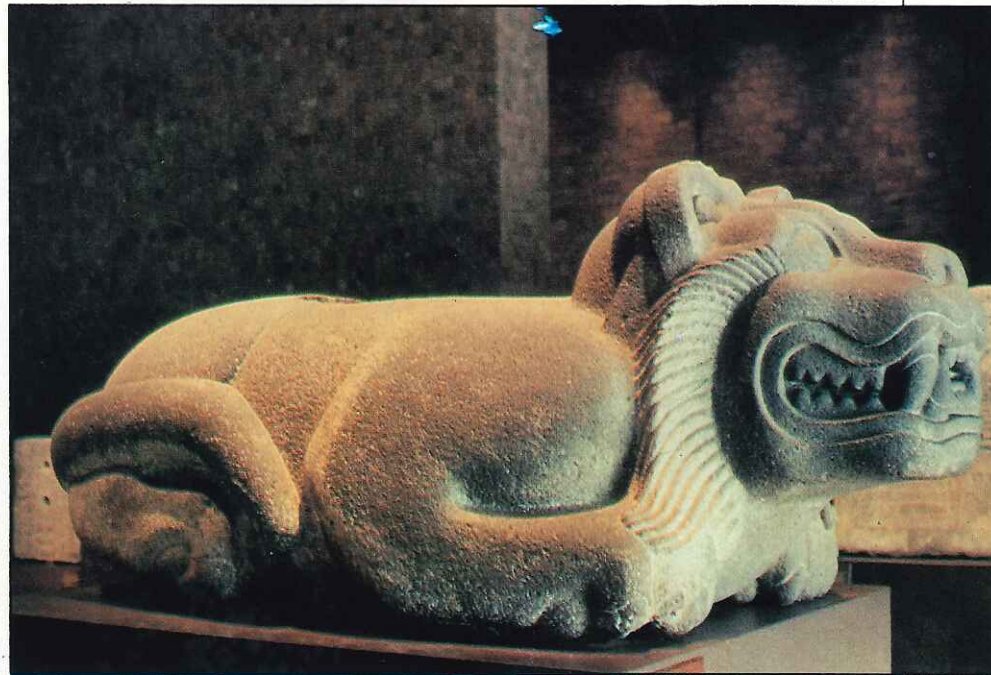
The Museum of Anthropology not only protects, conserves and promotes the invaluable treasures within the museum, but educates as well. The most important mission is accomplished by sponsoring programs for children, young people and adults. Cultural events, such as dancers travelling to perform at the Museum, musicians who play and record Pre-Hispanic music, academic courses on religion and history complement the key goal of illustrating Mexican culture as a whole. ☺



Mayan jade mask.

Instituto de Investigaciones Estéticas, UNAM.

Instituto de Investigaciones Estéticas, UNAM.



Mexica ocelot Cuauhxicalli.



Mexica roll of years.

Instituto de Investigaciones Estéticas, UNAM.

Economies in transformation: limitations and potentials of the transition process

Pierre Elliott Trudeau*

THE NINETIES might be one day characterized as the period when, immediately following the end of the Cold War, *one world* bearing the features of a market economy was being formed. One way or another, all economies are always in transition aimed at achieving the most flexible and efficient system.

However, the challenge posed by the economies of Central and Eastern Europe is unprecedented: the transformation from one system, predominantly based on central planning and state ownership, into another, based mainly on market principles, private ownership and encouragement of initiative and enterprise.

In previous history, radical transformations of this type took decades, if not centuries. Today they must be accomplished more rapidly. Economic change of such gravity demands a tremendous cultural transformation in the minds of the changing populations. To overcome psychological barriers, mentalities and values will have to be adjusted. This will take time, most probably a generation, before the changeover will be consolidated.

While concentrating on Central and Eastern Europe, the group drew also on the Latin American, Asian and

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A High-Level Expert Group discusses the process of transforming centrally planned economies into market ones. The key element in such a process has been defined so far as the transition from state ownership of enterprises and most services into private ownership. At the same time, the existing market economies are facing many challenges, including the redefinition of necessary regulatory and distribution mechanisms, both on the national and global level. The combination of these two processes, and the scale on which they are occurring, poses a number of political and practical problems which have never been addressed or successfully managed by any country in the world.

Southern European experiences. The countries of Central and Eastern Europe -while not a homogeneous group- must not only cope with changes in the economic, but also in the political system.

While a market economy is a condition, although not a sufficient one, for democracy, democracy in general is not a condition for a market economy. However, in present circumstances democratization is vital for any transformation to succeed. In order to gain acceptance of the new values and to create the civil society inherent in a democratic system, a series of political as well as economic reforms will eventually have to be put in place, safeguarding individual freedom and human rights, ensuring free elections and a parliamentary system based on political pluralism, popular participation and political accountability.

The political and economic disintegration accompanying the current reform processes in Eastern Europe weakens these countries and their economies, and places extraordinary demands on the skills and vision of the political leadership and the understanding, cooperation and tolerance of the population.

“Economic change demands a cultural transformation in the minds of the people”

With the acceptance of the market mechanisms, *one world* is emerging where all countries benefit from the division of labor and economies of scale through competition, freer trade and payments. During the transition process toward a market economy, three key tasks must be accomplished:

1. The adoption and implementation of appropriate macroeconomic stabilization policies removing disequilibria with a view to facilitating economic growth
2. The introduction and guarantee of property rights and the initiation of structural reforms, namely price and trade liberalization
3. A phased process of privatization and commercialization of industry and services, in order to replace the hitherto political management of the enterprises with private bureaucracies

Development strategies

Neither the capitalist market system nor the socialist economy have proved to be perfect in satisfying individual or collective needs or bringing about a fair income distribution.

Most capitalist economies are characterized by a mixed system with a vigorous private sector and a strong public sector (averaging 40% of GNP). To determine the nature of the most efficient mix is the key challenge for each economy.

The role of Government in fostering economic development is essential, even in a capitalist system. Its function is to ensure an allocation of resources compatible with certain goals and values of society, to achieve a fair distribution of income, to provide infrastructure, and to keep the economy stable by avoiding excessive fluctuations.

“One world is emerging”

The goals and processes of development must be redefined beyond the simple indicators of GNP-measured economic growth and welfare. New sets of indicators should be introduced, capable of reflecting diverse and normative cultural goals.

Time-sequencing is critical for the success of any economic and social transformation and for avoiding the high cost of social dislocation. Every transformation must be addressed in multi-disciplinary ways. Above all, transforming economies must make haste slowly.

In a transformation, market discipline must be introduced at the enterprise level through import competition, insulation of management from political pressures, and controls over credit and subsidies.

Privatization entails a process of identifying areas where economic activities should be organized and owned or controlled by the private sector, in order to raise efficiency and productivity.

“Neither the capitalist system nor the socialist economies have proved to be perfect”

As the previous social order is being destroyed, standards of living are likely to decrease. Therefore, this process must be smoothed by sufficient economic assurance and income security measures for the population in order to maintain the social stability of a country.

Transfer of technology and capital from the West will be indispensable to facilitate the transformation and the related modernization process.

All the political forces of a country must display a clear and strong commitment towards the reform goals. The time frame of the transition will be affected by political pressures and struggles and by the people's

perception of the political legitimacy of the new leaders and institutions. Societies must be fully informed of new programs and their likely implications. Without strong political leadership, popular participation and pluralism, economic transformation is bound to produce undesirable results.

“The role of Government is essential”

The experience with industrial and structural policies in the industrialized countries may contain lessons for the development of comparable policies by economies in transformation. One of the essential features of Western industrial policies was that governments rarely engaged in creating industries but acted in indirect ways: as purveyors of public goods, providing infrastructure, education, (re)-training facilities and related employment schemes, encouraging entrepreneurship, private initiative and innovation, by facilitating the emergence of strong and stable financial institutions and the adoption of conducive legal frameworks and tax policies.

“Make haste slowly”

Industrial policies were tailored in accordance with the cultural peculiarities and specific circumstances of each country. This experience proves that capitalism does not necessarily entail the absence of planning. But it does not involve central planning of a whole economy. Thus, there cannot be a universally applicable blueprint.

The adoption of proper macroeconomic policies aimed at stabilization and at stimulating economic growth is of paramount importance both for developing countries and the Central and Eastern European ones. In the short run (nine to twelve months) a series of measures must be taken, but not necessarily a *shock therapy*, to enable the market to function. Stabilization must be linked to the development of appropriate strategies for sustainable economic growth.

The period of implementation for such a program –normally agreed on with the IMF– is set, in the medium term, at three years. It implies a cut in real wages if consumption is excessive. But if the standard of living is to be protected and social hardship minimized, production and employment should not be allowed to collapse.

Price liberalization is aimed at eliminating a variety of price distortions and administrative impediments. Sustainable economic development and growth must be induced as quickly as possible through a government

industrial policy, the building of a reformed public sector, privatization, support to small and medium-scale businesses and export promotion.

Privatization and commercialization

Privatization is not a goal in itself in isolation from the overall transformation process, but only privatization will guarantee a process of educating and setting up a new managerial class. In several countries, reprivatization of previously confiscated land and assets to their former owners or their compensation must be distinguished from the genuine privatization process.

“Societies must be informed of the programs and their likely implications”

The process of privatization involving the sale of companies should initially begin with small-scale shops, businesses and the service sector. In this case, the auction system may serve as an effective mechanism, while in the agricultural sector, land can be privatized or leased.

Most heavy industry and large-scale enterprises will for some time remain protected, given the lack of finance, apprehension about foreign control of key sectors and the inefficiency of production. Heavy industries will need to undergo first a process of restructuring, including demonopolization and commercialization of their activities.

“Capitalism does not necessarily entail the absence of planning”

Privatization of select large-scale businesses could be accomplished through a voucher system, or sale to the public. Care should be taken that not just the most profitable enterprise, or ones from just a few sectors, are sold off –often at relatively low prices– but also that Government is not left with the least viable, least effective and technologically outdated enterprises that could be a drag on the budget.

An overall review and reorientation of safety nets should accompany the privatization and commercialization processes, with a view to reforming and adapting them in line with the requirements of the new situation and not necessarily emulating Western models which are also now affected by changes.

Channeling resources

New small business development should be encouraged as such enterprises require little capital, absorb labor and meet real existing consumer demand.

The destruction of what is old and the management of the economic system requires a massive transfer of capital, technology and resources. There is, at the same time, a

“*There cannot be a universally applicable blueprint*”

need to produce sufficient levels of internal savings. Internally, the mobilization of capital and savings for productive investment and capital formation through savings institutions becomes a critical element. A system of institutional investors must be built up to provide for a regular savings effort.

There is an absolute necessity to reduce Government balance of payments debt in order to mobilize and dynamize private and institutional savings for the purpose of ensuring higher production. To this end, public revenues

“*Privatization is not a goal in itself*”

and taxes must be increased, while public expenditures must be cut. Governments that are bankrupt are unlikely to attract foreign investment. One way of generating a stream of income for the public budget may be the monetization of vast Government-owned housing stock that has no market value, after problems of ownership have been settled.

External finance from public sources, including international agencies, and the Western private banking sector will be required for long-term private and public investment in order to allow the developing countries and their markets to emerge as viable economic players and

partners. However, there is doubt that sufficient excess capital exists in the West to support such transformations.

The catastrophic and rapid increase in the external debt of the countries in transformation must also be urgently solved through effective debt reduction and relief packages. Recent debt rescheduling agreements will undoubtedly hasten the process of debt reduction.

The end of the Cold War has made reductions in military expenditures by all countries a possibility. This should provide another source of long-term domestic and external financing.

The trade picture for the Central European countries in transformation is rather bleak, due to the complete collapse of the Soviet system, an event which is speeding up the

“*Governments that are bankrupt are unlikely to attract foreign investment*”

need for transformation of the former member countries of the Council for Mutual Economic Assistance (CMEA) in order to compensate for loss of trade with the USSR and the former German Democratic Republic. The immediate task is to re-establish trade among the former CMEA countries, where market connections and technological fits already exist. Western assistance for long-term intra-regional trade financing will be crucial.

The liberalization of foreign trade cannot be unilateral. Free access to markets cannot be imposed on countries without reciprocity by the OECD countries. If there is no adequate reciprocity, the solution will be inefficient and will lead to the demise of GATT into regional trading blocs. The openness of Western markets to exports from the countries in transformation will be critically important for the success of the transformation process. ❖

Prospects for international trade: economic blocs and Latin American integration

*Victor L. Urquidi**

International economies have undergone significant changes since the 1970's. In the past two decades we have witnessed:

- Intensive post-war technological developments
- Differences in the relative capacity of highly industrialized countries to apply technological development to improvements in productivity and trade
- Sharp fluctuations in supply and demand of basic commodities, reflected by their price and availability (such as oil, copper, grains, sugar, coffee, etc.)
- Monetary and financial policies implemented independently by major industrial economies, which lead to recessive effects, especially on the economies of developing countries
- Aggressive industrial policies implemented by some developing countries, especially those of the Pacific Rim, aimed at expanding their export markets

While world trade grew noticeably, its regional distribution changed. Total overall exports increased 6.4 times between 1970 and 1980 (from 312 billion to 1,995 billion dollars). Highly industrialized market economies, which have always been the world's leading exporters, participated in this increase by a factor of 7.3 (from 172 billion to 1,262 billion dollars). However, the proportional increase -by a factor of 10.1- in the developing countries' share of the market was spectacular (from 55 billion to 559 billion dollars).

Though the main flow of trade took place between the highly industrialized nations (an increase of 5.2 times, from 172 billion to 894 billion dollars), these figures¹ clearly indicate that while highly industrialized countries account for at least 70 per cent of total world trade, up through 1980 the developing countries share increased more rapidly.

The increase, however, was mostly due to Korea's participation, as well as other Southeast Asian countries and those who export oil, i.e. countries in Africa, the Middle East, and Latin America. The increased value of Latin American exports was mainly due to higher crude oil prices, while in non-oil producing nations the spectacular increase in exports was principally a result of export policies for manufactured goods.

Latin American countries, some affected positively and others adversely by the prices of basic products, such as those mentioned above, were unable to maintain their relative share in world market. Exports from Latin America in 1980 barely totalled 89 billion dollars, i.e. 16

¹ Cf. a paper by Sidney Weintraub, "World Trade Prospects," presented at the Seminar on Regional and Subregional Integration, at *El Colegio de México*, May 1987, Table 3, from data collected by the United Nations, *Handbook of International Trade* and supplements.

* Former Director of *El Colegio de México*.

per cent of aggregate exports of the developing countries, and a modest 4.4 per cent of total world trade.

Brazil made a good showing in exports of manufactured goods, while Mexico and Venezuela exported mainly crude oil at OPEC-established high prices². Mexico's total exports in 1970 were an insignificant proportion of world exports, but by 1980 they had increased to 0.8 per cent of the world total as a result of the price and volume of oil exports.

Trends and shares in world trade have undergone new and unusual changes since 1982. Aggregate world trade during the 1980's virtually stagnated (even at current prices), although slight growth seems to have taken place, at the rate of 2.5 to 3 per cent per year, during the last three years.

World exports are generally less dynamic due to lower commodity prices, as in the case of oil, and to protectionist policies erected by industrialized countries, especially through non-tariff barriers, and to the recessive impact of foreign debt burdens on Latin America, Africa and parts of Asia.

Nonetheless, up to 1985 the share of developing countries exports continued to rise, increasing to 24 per cent; Latin America's share decreased, while that of Southeast Asia continued to rise. Mexico's total exports remained at one per cent of world exports (with a peak of 1.4 per cent in 1984). This occurred notwithstanding a remarkable four-fold increase in Mexico's exports of manufactured goods after 1983.

These trends are not likely to change much in the foreseeable future, i.e. moderate growth in world trade with an increased participation by Southeast Asian countries, continued non-tariff protection, and imbalances in trade between the United States, Germany and Japan.

There can be no prospect of increased exports from industrialized countries to the deeply indebted nations as long as policies requiring full payment of external debt prevail, and unless new ways of restructuring or reducing outstanding debt to commercial banks are found. Nor is it likely that there will be a significant increase in the volume of Latin American and African exports of basic goods -including oil- to weakened international markets.

Under these conditions, there are not many options for a country like Mexico. Traditionally, about 66 per cent of Mexican exports have gone to the United States and 20 per cent to Europe. Since 1980, 10 per cent has gone to Japan and the balance to other regions (Latin America absorbs barely 3 to 4 per cent of Mexico's exports).

Because of the present composition of these exports -one third oil, 60 per cent manufactured goods (40 per cent

of these are produced by transnational corporations) and 7 per cent mining and agricultural products- the U.S. market will continue to prevail, with or without a free trade agreement between the two countries.

In the event of such an agreement, Mexico's share might increase from 66 to 70-72 per cent over the next six years, or remain the same if a significant increase in the volume is achieved. Exports to the European Economic Community (EEC), which consist mainly of crude oil to Spain, and exports to Japan, are not likely to vary significantly.

Could the creation of "economic blocs" modify this situation? In the first place, today's definition of an economic bloc is not the same as it was in the thirties, when it meant clearly restrictive trade and payments in an autarchic context.

The European Community of Twelve and the Nordic Council are not in fact likely to increase tariff protection levels in those areas, but on the other hand it is also unlikely that they will substantially change their present non-tariff barriers.

EEC policy favors the expansion of world trade rather than exclusions, but it subtly manipulates exclusions through non-tariff barriers. The same can be said of Japan, whose domestic market is highly protected. The U.S.-Canada Free Trade Agreement is neither an economic bloc nor a free trade zone that excludes trade from other areas; and the prosperous Southeast Asian countries do not have exclusion policies, even though they have managed to slightly increase their intra-regional trade.

If this is true, then Mexico faces the task of stepping up its industrial effort (as well as its agricultural and mining efforts), in order to maintain and increase its share of its traditional export markets. The main problem is to adopt and implement a permanent strategy for the export of manufactured goods that will enable it to compete with other world market suppliers and penetrate new niches for finished and intermediate products.

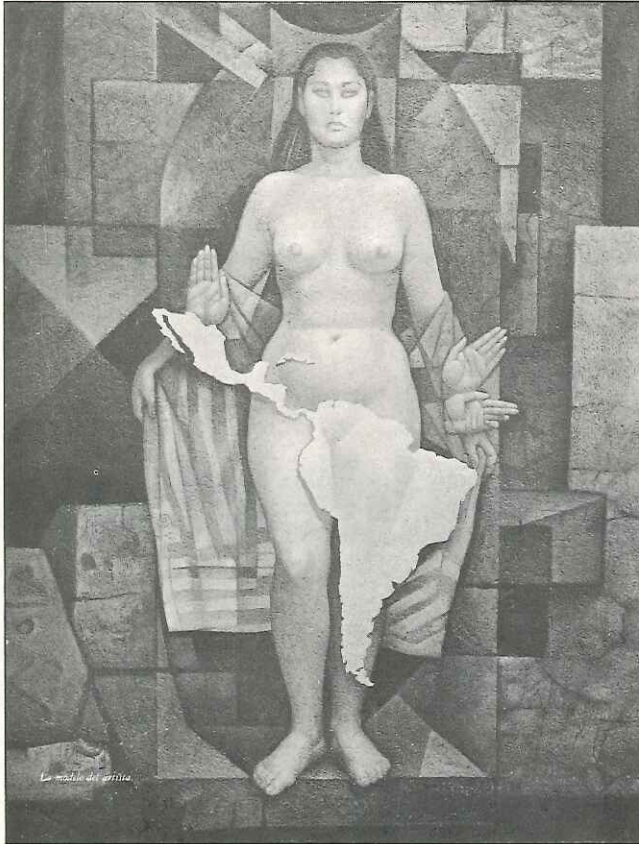
Mexico would then be able to trade with any region or country on the basis of their trade policies, through GATT or through bilateral agreements, without fear of encountering the "negative effects" of the so-called blocs, which in any case are nonrestrictive blocs.

Latin America is another matter. Latin American integration has been undermined by traditional rhetoric, by lack of political will among the main integration-minded Latin American nations, non-compliance with the Quito Act of January 1984, and by the servicing of the external debt.

All the regional and sub-regional schemes -ALADI, the Andean Pact, the Central American Common Market,

² These figures are given in current dollars, i.e., not corrected by world inflation rates.

CAPRICOM- are in a state of almost irreparable crisis. Whenever the subject of Latin American economic integration is discussed at technical organization meetings and seminars, high hopes and optimistic conclusions are expressed, but in reality there is not much that can be done.



Jorge González Camarena, *The Artist's Model*.

Heads of state often express the same lofty ideals, but no practical results are achieved. Brazil and Argentina, signatories in 1986 of a complex mutual integration and free trade agreement (which later was extended to include Uruguay), and which incidentally has some characteristics

of restrictive economic blocs, have not made much progress in the three and a half years which have since elapsed.

As long as the Latin American political situation is not clear, and as long as the three or four principal countries in Latin America are unable to undertake significant commitments to regional and subregional integration, Mexico cannot hope to do more than export on an occasional basis or through bilateral negotiations to Central American or South American nations.

Trade will continue to be a private business affair, or one carried out by public enterprises, rather than an inter-governmental affair, no matter how many agreements are signed. If the general export strategy is successful, especially with regard to manufactured goods, and as long as no specifically negative factors interfere (in connection with payments and other restrictions, for instance), Mexico should be able to increase its exports to Latin America with or without integration schemes.

If it is possible to compete in the markets of industrialized nations, it should be more than possible to compete in the Latin American markets. It would be misleading to think that formal integration schemes must first be reformulated since this might take many years.

Latin American integration has long ceased to be a priority for Mexico. For one thing, some Latin American countries take a dim view of including Mexico in their schemes, and for another, Latin American integration is not likely to occur, now or in the foreseeable future.

What Latin America must do -as it has lagged behind in the world economy since the sixties- is to reconsider the relationship between its economic development, especially in relation to industry, and the changes and new trends in the world economy.

This is the only way it can develop new, more practical and lasting ideas about integration, taking into account, for starters, the example of the European Economic Community and its plans to include European countries that are not yet part of it **M**

An analysis of the results of President Salinas de Gortari's 12-day, 4-country official trip. In Germany and Italy, the results were mainly economic: promises of joint ventures and direct investment in Mexico. In Czechoslovakia and the Soviet Union, although some trade arrangements were made, the visit was primarily political. Finally, the president's call on the Vatican –stressed as a private visit, and not as a head of state– aroused great interest in Catholic circles.

AFTER PRESIDENT SALINAS DE GORTARI'S intense 12-day working trip, from the 29th of June to the 10th of July, to four European nations –Germany, the Soviet Union, Czechoslovakia and Italy– it is of great interest to analyze its political and economic results.

In terms of economics, the most important were the efforts undertaken by the president to assure that Mexico may take part, effectively and competitively, in the globalization process that is characterized by markets grouping together in economic blocs, in accordance with the new international order.

Mexico has thus become the leading Latin American nation to call for change. How many countries in Latin America fervently desire and seek fresh capital from the industrialized countries to enable them to continue their development? In this respect, Mexico is highly competitive, as in shown by its impressive economic progress.

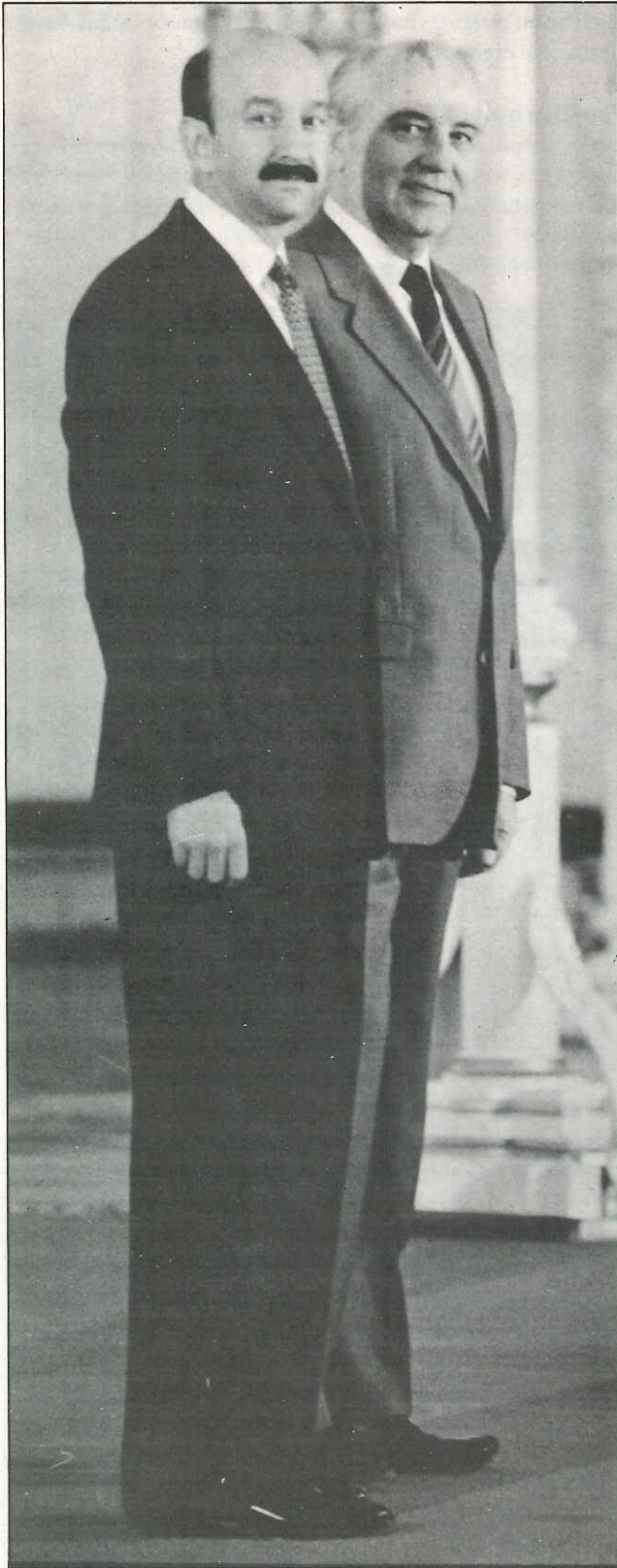
Furthermore, the presidential tour gave additional force to the present negotiations for the Free Trade Agreement (FTA) with the United States and Canada, as such an agreement in no way excludes investments by nations from other economic blocs. On the contrary, Mexico not only diversifies its sources of financing, but becomes the pole of attraction for the European business and industrial community, mainly because of its geographical proximity to, and great possibilities of doing business in, the world's biggest market.

In addition, the present Administration is known for trying to diversify and deepen Mexico's economic and trade relations with nations all over the world, one example being Mexico's becoming a full member of the Pacific Economic Cooperation Conference, another the negotiations for the signing of the FTA with the USA and Canada, and meanwhile there is some likelihood of other similar agreements with countries such as Chile, Venezuela and Colombia.

The presidential tour: a vision of the future

The changes that have already taken place on the domestic scene have their projections on the international one. It has become commonplace nowadays to speak of a different Mexico. The country is not what it was twenty years ago. The transformations carried out by the present government have reached all sectors of the population. Changes in politics have spread out from the government to the private sector and to the general public.

A reflection of what has been achieved both politically and economically is provided by the aims proposed in the presidential tour: to make known Mexico's foreign policy and bring about trade and investment agreements. The special tone of the trip was to show a



Ready and willing for the new world order.

different Mexico, with a president no longer there to talk about the needs of a Third World country. Mexico is a nation that can speak up for itself and demand equal treatment and fair deals.

The results are there to be seen. In the economic field, far reaching investment commitments were signed for more than four billion dollars. While in the political arena, diplomatic and friendly relations were consolidated with the countries visited, a step that will doubtless complement and enrich the economic achievements.

The relevance of the presidential tour gave a new slant to national and international politics, since the Mexican television showed the cordial and even warm welcome received by President Salinas, who spoke with heads of state, businessmen and intellectuals, as well as with ordinary citizens and the "man in the street."

President Salinas made his trip at a time when great changes are being made in the world. The international order is no longer the same; the reunification of Germany, the reforms underway in the Soviet Union, the changes that have taken place in the Czech and Slovak Federal Republic, and the visit to the Vatican, all gave the trip its outline for future policy.

The most relevant thing, therefore, in the presidential tour had to do with the President's vision of the future with regard to the role of politicians in the context of a changing world: we should be training the future generation that will be leading the nation in the great transformations of today, and those that are yet to come.

Germany

We are now witnessing the most competitive stage in the history of international trade, where the struggle for resources takes on an unprecedented magnitude all over the world. In Berlin, President Salinas de Gortari declared that diversification is the key element for Mexico's commercial strategy and warned that in the nineties there will be a notable shortage of capital and financing. He therefore urged that Mexicans should be on the alert and seek opportunities for access to sources of financing and new capital to complement the domestic savings that are necessary for growth.

Among the countries visited, Germany was the most outstanding because of the concrete agreements signed there and the importance of Germany in Europe, and likewise because of the increasingly close economic ties established with Mexico in recent years. People rightly say that Germany will become the motor for economic growth in the West in the 1990's.

In the framework of the presidential tour, the Minister for Trade and Industrial Development, Jaime Serra Puche, stated in Bonn that more than sixty firms will invest three

billion dollars in Mexico over the next four years. The governments of the two countries have also agreed to set up a mechanism for bilateral consultations and the Mexico-Germany 2000 Commission.

In Wolfsburg, Carl Hahn, President of Volkswagen, said that the firm would invest about 900 million dollars in Mexico to expand the Volkswagen plant in Puebla. Twenty of Volkswagen's suppliers will also channel a further 200 million dollars to Mexico.

For its part, Mercedes-Benz declared that it will double its investments this year. The firm will also make other investments in Mexico, including some in the tourist industry.

A credit line for 100 million dollars was opened between *Banobras* and various German financial institutions in order to complete the light train line in Guadalajara, Jalisco.

The German firm of Hoechst, which is a partner in *Celanese Mexicana*, will invest 800 million dollars in a petrochemical plant in Mexico, and Lufthansa has promised a further 300 million. There will be considerable German investments in tourism. A Mexican-German joint venture will build a *Europlaza* in Mexico City, a new urban concept comprising a financial, commercial and tourist center, specializing in housing firms from the European Economic Community.

The *Europlaza* will be built on the Paseo de la Reforma and the investment will amount to 265 million dollars. It is estimated that the project will create 2,500 jobs during its construction stage and some 600 once it is in operation.

“Mexico, leading Latin American nation to call for change”

The German tourist club chain, Robinson Club, with an initial investment of 32 million dollars, in late 1991 will start building in the Cancún-Tulum corridor (Quintana Roo) and in Organ Bay, Huatulco (Oaxaca), two of a total of 15 tourist clubs. The Ministry of Tourism will be holding a commercial encounter in Mérida, Yucatán, entitled *The First Euroexchange*, to be attended by the leading German tour operators and representatives of the Mexican hotel industry with the aim of encouraging European tourists to visit Mexico.

Briefly, the aim is to increase flows of German investment to various branches of the Mexican economy and strengthen those in which German participation is already considerable, as is the case of the automobile industry. Another Mexican aim is to consolidate the presence of Mexican products in the German market,

significant progress having already been made in this field during the eighties.

The Czech and Slovak Federal Republic

In Czechoslovakia the groundwork was laid for renewing exchanges which will be increasingly significant for our mutual benefit and to help Czechoslovakia to recover from decades of economic stagnation. During his stay in the country – the first by a president of Mexico – the objectives

Message from President Carlos Salinas to President Mikhail Gorbachev, on the occasion of his restoration to power on August 21st. (extract)

It was with great satisfaction that I learned of your return to Moscow, and with that, the restoration of constitutional order in the Soviet Union. In Mexico, as in many other countries in the world, we were extremely concerned about recent events in your country, which are now, fortunately, drawing to a close. World peace and stability, to which the reforms you have encouraged have greatly contributed, will now doubtless be increased by your involvement. The bilateral ties between Mexico and the Soviet Union, which were greatly strengthened by the cordiality and friendship shown to me by the Soviet government and its president, will lead to an even closer and more productive relationship. We therefore have reason to congratulate the Soviet people who have demonstrated their wish for a peaceful and legal transformation toward democracy.



Salinas rubbing elbows in Italy.

of the meeting with the head of state, Vaclav Havel, were essentially political ones: to achieve closer bilateral relations and, in the near future, to crystalize the potentialities of this relationship for both countries.

During the president's visit, investment commitments were signed: about 18 commercial projects involving firms such as the *Saba* group, *Duramil*, *Carmatex* and the Mexico City and Guadalajara *Metro* companies.

It is obvious that the main result of the trip was more political than economic, as is evident from the tone of the different declarations made by the two heads of state. President Salinas, for instance, stated that "democracy cannot be consolidated and become fruitful without the appropriate economic conditions. It is for this that stability is such a high priority for, without it, reforms to the productive system, expectations and even the morale of the people are placed in jeopardy."

“No longer there to talk about the needs of a Third World country”

On the present state of affairs in Czechoslovakia, the Mexican president said, "The Czech and Slovak Federal Republic is, like Mexico, engaged in the crucial process of social change. Although each has its own national peculiarities, the two countries want to assure for themselves a greater participation in the 21st century world. Today bilateral ties are on the right track, although it must be admitted they are still modest. My presence in this beautiful country is intended to renew our political

will to continue along this path, speeding up the pace whenever possible and working together constantly and decidedly."

On the subject of the strengthening of bilateral relations, the Mexican head of state said, "We wish to foster industrial and technological cooperation and to increase trade. It is essential that government-to-government relations should go hand in hand with direct contacts between businessmen from our two countries. We must, likewise, revive our programs for cultural and educational exchanges. Our young people, our university professors and our artists wish to get to know each other and to take part in common tasks and activities. Let us make an effort to sponsor and facilitate the realization of these aspirations."

Speaking in the Hradshin, in Prague, President Vaclav Havel declared, "I am pleased that this first visit of a Mexican head of state to our country should be taking place at a time when both Czechoslovakia and Mexico are opening up more to the world and trying to strengthen relations with the international community, both politically and economically. Although our points of departure are not at all the same, we are united by a firm decision to assure for our nations a decent entry into the coming millennium."

“Most competitive stage in the history of international trade”

"I am equally convinced of your country's intellectual and economic potential, which I was able to see during my visit there last year. The sympathy and understanding for our objectives, and also the sincere interest among Mexican political, economic and cultural circles to collaborate with us, I conceive as a bilateral commitment to give our bilateral relations something of a privileged character. Unfortunately, it has not been possible so far to give this any concrete expression and, although there are areas in which our collaboration is beginning to take on a promising shape, the existing potentialities are far from being fully realized. I am sure that your visit and the political and commercial deliberations stemming from it will be a big step forward."

Finally, just before leaving for Moscow, President Salinas was asked about the aid the international community should provide for the new democracies in order to prevent conflicts arising on account of economic problems, such as is the case in Yugoslavia. The Mexican president pointed out that there should be more opportunities for trade, and expressed his hope for a

successful conclusion to the GATT's Uruguay Round, so as to avoid real *trade wars*. "Trade will open up opportunities for the well-being of the new democracies, but it is also necessary to speed up financing mechanisms in international markets, so that the political will for more trade and financing will be expressed in deeds, in order to make viable the new hopes that are arising not only in the European continent, but also in Latin America."

The Soviet Union

The part of the presidential tour that, undoubtedly, aroused the most expectations and interest was the visit to the Soviet Union, as it is now fully immersed in a process of opening up to the outside world. Although the new international order is already underway, predictions had failed to identify the great transformations that have taken place not only in the USSR, but also in Eastern Europe and large parts of the world.

It would seem that what was expected did indeed take place: the meetings between the Mexican president and his Soviet counterpart were fruitful, not only because of the negotiations agreed on but because, at bottom, both Salinas and Gorbachev tend to be identified with the new politics in their two countries. An affinity that will be strengthened by the Soviet president's forthcoming visit to Mexico later this year.

“Europlaza to be built”

On the subject of trade and investments, it was agreed that a Mexican joint venture with state and private capital would help in the rebuilding of an oil refinery in Baku, the capital of Azerbaijan. Negotiations were likewise initiated for the signing of a General Agreement on Cooperation to consider a project for Soviet participation in the Aguamilpa hydro-electric plant in the state of Nayarit.

The groundwork was also established for cooperation in exploring space and the use of the cosmos, in the modernization of telephone communications, in protecting the civil population and preventing natural catastrophes, in the fight against illegal traffic in drugs, psycho-active substances and addiction. In total, there were just over 35 export and investment projects involving firms such as *Calzado Canadá* (shoes), *Tamsa* (exports of seamless tubes), the sale of canned tuna, and oil projects through *Mexpetrol*.

Among President Salinas's first impressions in Moscow, the most striking was that expressed in this statement: "For Mexico, it is important to be here in the place where changes are taking place that will influence the new balance in the world."

For his part, Mikhail Gorbachev told the Mexican president that, in spite of the problems affecting the Soviet Union, his government is keenly interested in closer relations with Latin America, particularly with Mexico. He also spoke of his concern about the results of the Group of Seven's meeting in London and its response to the Soviet Union's proposals.

“Firm decision to assure for our nations a decent entry into the coming millennium: Havel”

In his speech before a group of deputies in the Supreme Soviet, and in the Lomonosov University, where he was awarded an honorary doctorate for being the first economist to put his theories into practice, Salinas de Gortari said that Mexico has never let foreign interests dictate its domestic policy, and stated that any country that does so is, in fact, giving up its sovereignty. On the subject of politics, the president mentioned the domestic frictions between the opposition parties in Mexico, the outlook for the coming elections in August, and for his party, the PRI.

In another part of his speech, President Salinas declared, "Mexicans want freedom, respect for pluralism, better opportunities and standards of living. Mexico cannot remain on the sidelines when new arrangements are being made, because later on it will be very difficult to enter into them." With regard to democracy, he explained that, in Mexico, "it is understood to be a free people's sovereign decision and right to choose the government that best corresponds to its interests and historical projects, and should never be subject to outside interference, because democracy in Mexico respects other nations and relies exclusively on the decision of one sole judge: the Mexican people."

“Salinas and Gorbachev identified with the new politics”

When outlining the future for politics, Carlos Salinas de Gortari said, "At a time when the world is struggling for its future with far-reaching and uncertain changes, there is no room for fake reforms and doubtful compromises. The transformations must be thorough ones, so that the nations do not come apart. These can only be carried out by politicians, by statesmen. Political reforms do not require, as their prior condition, economic ones, but the former are

difficult to achieve without the latter. Furthermore, it is not enough that the government should be willing to guarantee the building up of a new political culture; there must also be a deliberate effort to promote such ideals and a civil society that fulfills its responsibilities. It is not enough to demand one's rights, one must also do one's duty. Otherwise there is a risk of anarchy and destabilization."

Italy

The last stage of the president's trip was Italy, a country in which important agreements were reached, such as joint ventures between micro- and small-scale firms in both nations, the majority in the provinces, with the aim of setting up production chains in branches such as furniture, marble, textiles, footwear and machinery.

“First economist to put his theories into practice”

The most outstanding of these was the agreement signed between *Pemex* and the Italian National Hydrocarbons Company for oxygenation and reduction of lead exhaust fumes, with an investment of 200 million dollars. *Pemex* will have shares in this agreement to enable it to enter the European markets. *Fonatur* (The National Tourism Fund) undertook a project with the *Kursaal* company to develop a big marina complex in Cancún, which aims to attract capital flow of up to 1,400 million dollars. One Cooperation Agreement was signed for carrying out other projects and exchanges and to provide closer commercial ties between Mexico and Italy; another one to avoid double taxation; and yet another for coordination in the fight against drug trafficking.

In the diplomatic field, Salinas' visit to the Vatican also aroused interest and expectations as to the possible results of his meeting with the Pope. However, the visit was a "strictly personal" one, not as head of state. It was extremely cordial and showed the authenticity and firmness of the ties that link the Mexican people to the Holy See, and the government's respect for Mexicans' religious beliefs.

In the communiqués issued by both President Salinas and the Pope, one should give special mention to these words of the Mexican head of state: "In Mexico, plurality and the people's most intimate convictions are respected. It is hoped we will take steps toward a broader range of freedoms and that the material conditions are being forged to make everyone's choice both possible and valid.

"We don't want to give up old forms and invent new ones which aim, in vain, to put a brake on the human spirit. This is what encourages Mexico to persevere in the struggle to build a nation that is strengthened in its sovereignty, that is fairer domestically, always anxious that the people's right to self-determination will prevail, with non-intervention in internal affairs, cooperation for development and the search for peace."

Pope John Paul the Second publicly recognized President Carlos Salinas de Gortari's decided effort to find

“Production chains for the provinces”

solutions for the problems that plague Mexico and thus provide the groundwork for a fairer and more participative social order.

The head of the Catholic church also said he hoped that in Latin America there would be a united will, and increased efforts for more effective cooperation in order to cope with the grave problems of injustice and poverty, and to foster a comprehensive promotion of human beings, protecting human rights and respecting human dignity.

He likewise mentioned that in a state of law, the full recognition of religious freedom is, at one and the same time, the fruit and the guarantee of all other civil rights. It is undeniable, he said, that the presence and actions of the Catholic community in Mexico make a notable contribution to the good of the society, since many social and even political problems have their roots in the moral order.

“Religious freedom, guarantee for all other civil rights: John Paul II”

Pope John Paul the Second again expressed his hope that the positive elements that are springing up in the dialogue and understanding between the Church and the civil authorities in Mexico will develop and, later on, consolidate into the necessary framework of effective and legal freedom that the church demands in order to fulfill its mission of evangelization properly. Finally, the Pope thanked President Salinas for his visit and confirmed his desire to return to Mexico in October 1992. ❖

Celia I. Martínez Zwanziger

Staff writer.

24th International Meeting of the Pacific Rim Economic Council

SENIOR CIVIL SERVANTS from 22 countries and more than 500 businessmen and delegates from the most representative economic organizations in the Pacific Rim attended the 24th International Meeting of the Pacific Rim Economic Council, which was held in Guadalajara, Jalisco, from the 6th to the 8th of May.

High-ranking officials from Peru and Costa Rica and delegations from other Latin American countries such as Ecuador, Colombia, Chile, Argentina and Brazil were present. The meeting was officially opened by the President of Mexico, Carlos Salinas de Gortari.

In his speech, the Mexican President stressed the importance of the economic blocs that are forming in Europe, the Pacific and North America as means of fostering world growth. However, he pointed out that this goal will only be reached if we are able to do away with protectionism, either the open or the concealed variety, and prevent the economic blocs from becoming closed fortresses.

He also underlined the Mexican government's decision to diversify its economic and commercial

relations with other regions and countries. He mentioned the signing of the Free Trade Agreement with the United States and Canada, the negotiating of arrangements with the European Economic Community and the freeing of trade with Chile, Venezuela, Colombia, Central America and the Rio Group.

More than 150 investment projects and joint ventures in the agro-industrial, tourism, foodstuffs and automobile sectors were discussed and analyzed during the meeting. In addition, the opportunities offered by Mexico for the installation of industries and the marketing of products were explained to the participants.

Mexico considers investment from the Asian Pacific countries as an important factor for the recovery of its market, with benefits for micro, small and medium-scale industry. Likewise, because of its 82 million inhabitants, it constitutes, of itself, a large market.

The representative of the Mexican Commission pointed out that Mexico's active participation in the Pacific Economic Cooperation Conference, signed in May 1991, does not mean that Mexico is turning its back on Latin America, since it may serve as an export platform for launching both Mexican and Latin American products into the Asian markets.

The Pacific Rim Member Countries

The concept of the Pacific Rim refers to trade, investment and other forms of economic interaction between, the United States and Canada, Japan, Australia, New Zealand, Hong Kong, Taiwan, South Korea, Singapore, China, Indonesia, Malaysia, the Philippines, Thailand, New Guinea, Fiji, Brunei and, shortly, Mexico. The 18 countries account for 23% of GDP and 22% of world trade; they are also the biggest source of investment.

Mexico in the Pacific Rim¹

A distinctive feature of the countries that make up the Pacific Rim is the vigorous pace of growth in their economies throughout the eighties. Excluding Mexico, the 17 member countries are grouped, according to their characteristics, into 6 sub-regions:

1. The United States and Canada
2. Japan
3. South Korea, Hong Kong, Taiwan and Singapore, known as the four Asian Tigers or NICs (Newly Industrialized Countries)


¹ Data taken from: COMERMEX. "Estudio Especial," Consejo, Mexico, February 1991, pp. 8-11.

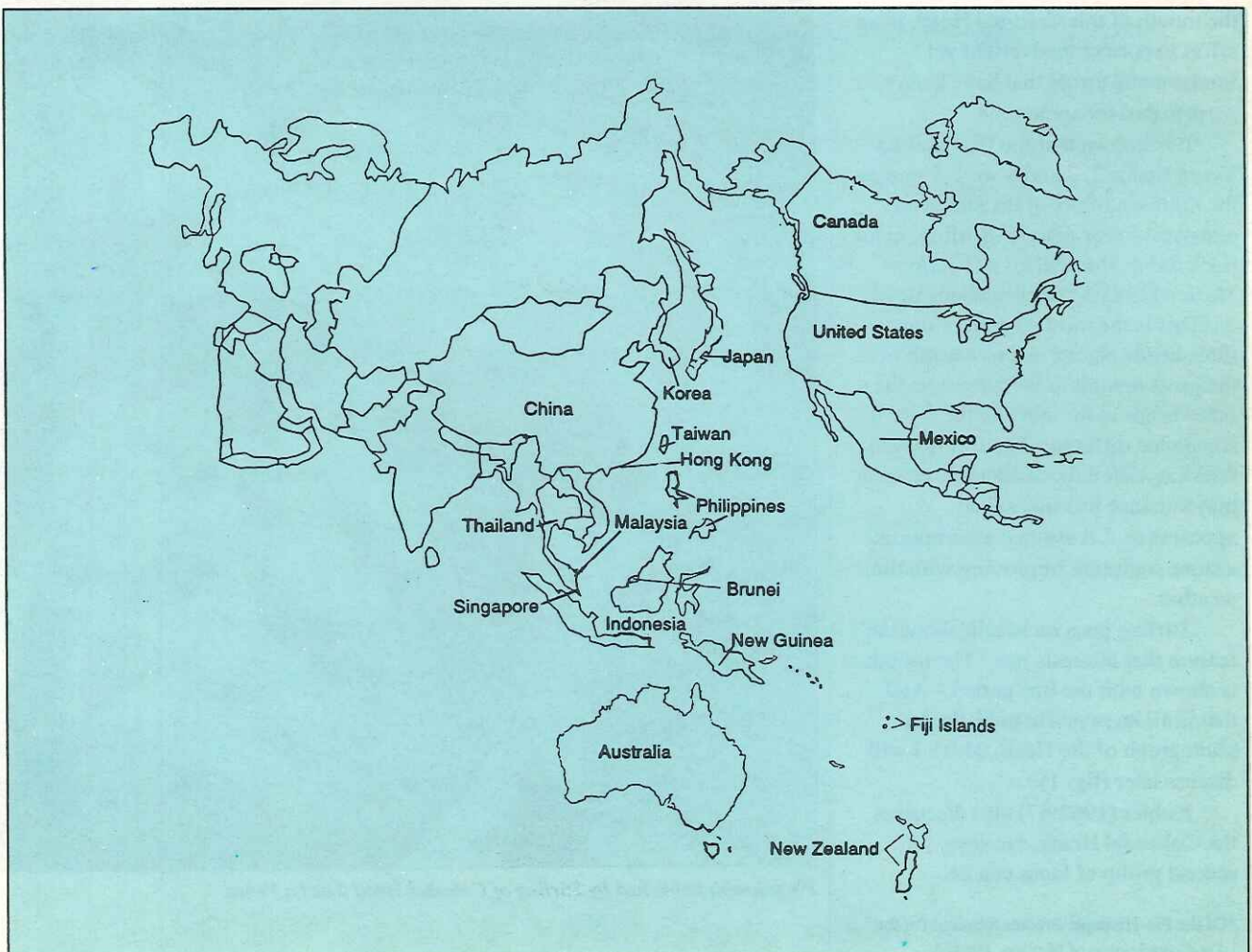
4. Indonesia, Malaysia, the Philippines, Thailand, New Guinea, Fiji and Brunei, known as the ASEAN group
5. China
6. Australia and New Zealand

At the present time, the Pacific Rim countries account for 23% of the GDP and 22% of world trade; they are also the biggest source of capital investment. Thus, while world output achieved a rate of growth of 3% per annum during the eighties, the Pacific Rim countries reached an average of 8%. During that same decade, their trade grew by 9%, as against 6% for the European Community.

Mexico's interest in taking part in this bloc is congruent with the drive for opening up the country to foreign trade which began in the mid-eighties with the elimination of prior import licenses, a large drop in foreign trade tariffs, Mexico's entry into the GATT and, in the nineties, the signing of a Free Trade Agreement with Canada and the United States.

Mexico's aims in taking part in the economic dynamics of the Pacific Rim are:

- To diversify its market, since at present 70% of its trade is with the United States
- To increase output and jobs
- To attract more investment from the Asian countries which have surplus capital
- To bring down its trade deficit with Japan and the four Asian Tigers
- To take advantage of the technological options being developed in the region
- To use its proximity to the United States to attract "maquiladoras" (in-bond plants) and joint production processes with other Pacific Rim countries
- To incorporate cost-effective techniques that have been applied in Asian and North American production processes
- To act as a bridge between the Asian Pacific Rim countries and the United States, through the Free Trade Agreement 



OLMEC HEADS are different from one another. Even at a single glance one can easily distinguish identifying features that set Colossal Head 1 at Tres Zapotes apart from Heads 1, 3 and 4 (all of which, again, are different from one another) at La Venta. These differences are apparent in spite of the family resemblance described by Stirling, the man who discovered what are today known as the La Venta Heads. He affirmed that all the heads carried distinctively "grim expressions (1940:332)."

It is important to draw attention to the superficial way in which these heads have been described. Negligence persists and affects the way we appreciate La Venta Head 3. This article will deal specifically with the mouth of this Colossal Head, in an effort to correct inadvertent yet fundamental errors that have been perpetuated for some time.

It is known that the Colossal La Venta Heads 2, 3 and 4 were found on the northern limits of the site in an east-west linear pattern. Stirling, in his book *Stone Monuments of Southern Mexico* (1943:57) writes about Head 3: "This is the most eastern of the three heads placed in a row north of the great mound. It is flatter than the other heads at the site and the style is somewhat different. The fact that the face has suffered considerable erosion may enhance this individual appearance." A strange assumption: a stone sculpture improving with the weather.

Stirling goes on to talk about the feature that interests me: "The mouth is shown with the lips parted." And that is all he says. He published a photograph of the Head, which I will discuss later (fig. 1).

Kubler (1962:67) also discusses the Colossal Heads. He says, "A second group of faces can be

La Venta: the mouth of Colossal Head 3

*Rubén Bonifaz Nuño**



Photograph published by Stirling of Colossal Head 3 at La Venta.

*Of the Pre-Hispanic Studies Seminar for the De-Colonization of Mexico, UNAM.

distinguished by parted lips, communicating an expression of speaking animation. Two in this group are spherical and two are long-headed. The long head ones (La Venta 3 and San Lorenzo 2) are more lively than the round heads (La Venta 2 and 4). La Venta 3 has [...] deeply shadowed lips, suggestive of emotional tension."

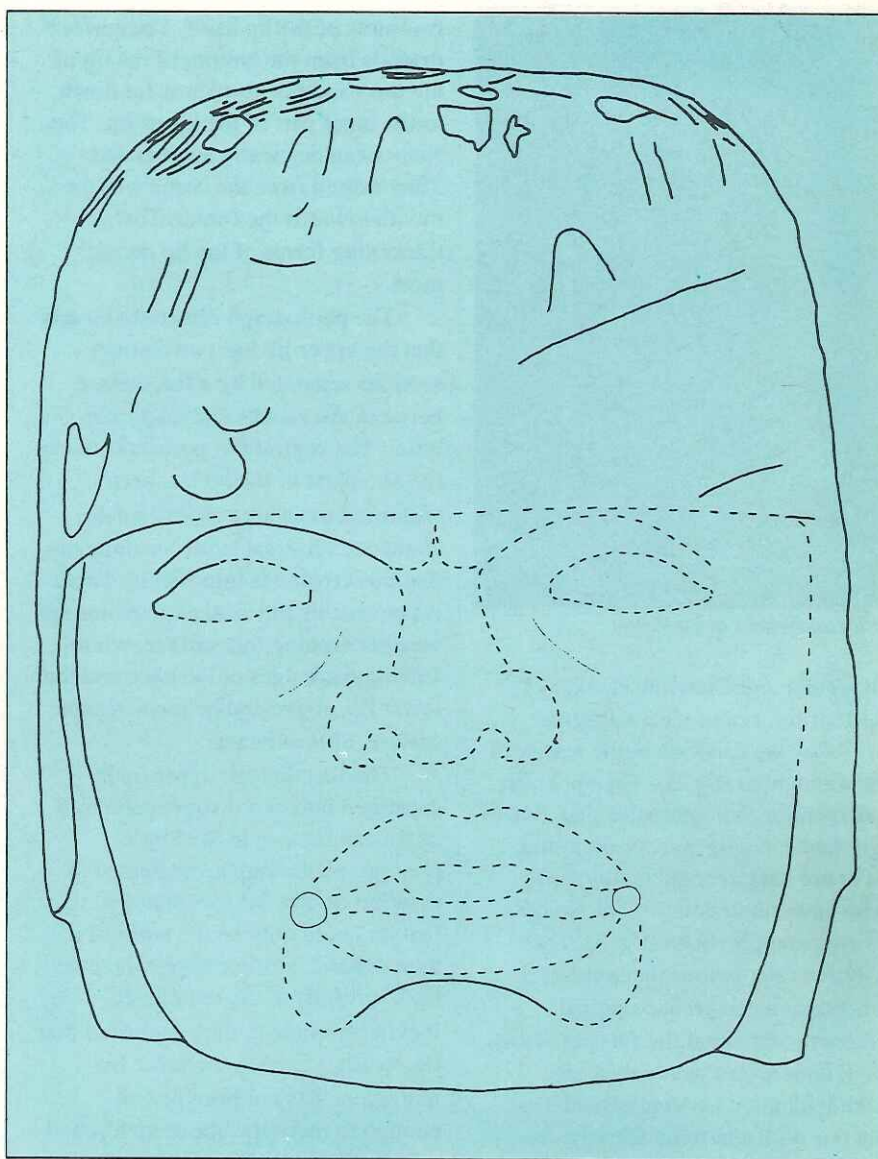
Although Kubler's account is somewhat more accurate, he still overlooks the mouth's specific features, which will be discussed later.

In 1967, Clewlow, Cowan O'Connell and Benemann published *Colossal Heads of the Olmec Culture*, where they make a series of erroneous affirmations about the face of La Venta Head 3. These assertions have unfortunately been taken as truth since that time.

In the same book was also published a drawing of Head 3 where they used dotted lines to indicate an assumed structure of the mouth. Their illustration represents forms existing only in their imaginations, and that gives us grounds to doubt whether they ever saw the monument they describe first hand (fig. 2). The misconception has been perpetuated, since the illustration seems to have become an *official* image of the Head.

The authors who published the sketch included the following description of the La Venta Head 3: "It is impossible to ascertain what features were sculpted on the left side of the face since this side is severely eroded [...] Erosion on the nose is also great. However, it does appear that it was narrower across the bridge than those of the other La Venta heads and that in profile it was slightly snubbed."

They write about the feature that concerns me: "Since the upper lip has almost disappeared, it is impossible to ascertain its original shape, or the distance between the upper edge of the lip and the nose. It would seem



Sketch published by Clewlow et al. of Colossal Head 3 at La Venta.

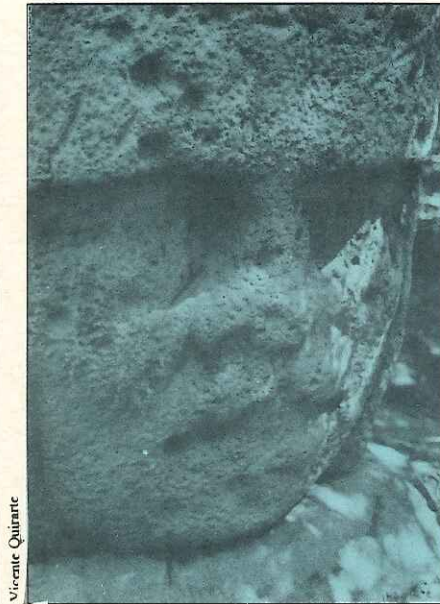
probable that the mouth of LV3 was open, and that the lower lip was U-shaped."

The truth of the matter is that the above words are dead wrong. The upper lip is far from having disappeared and its shape is easily observed. Also, it is not at all difficult to determine the exact distance from the lip to the nose. There is no doubt that the mouth is open. The lower lip does not call for conjecture as it can be seen clearly.

After Clewlow et al.'s work, there has not been much new correct information about that head and its

face. Thus, for example, Wicke (1971:102) identifies the Colossal Heads with the following: they have "thick lips, wide noses and fat cheeks." The mouth of La Venta 3 is described as being open. A series of stylistic classifications are applied. Soustelle (1986:47) affirms, "The La Venta Heads 2 and 3 have flattened faces."

In summary, Stirling, Kubler and Wicke, when dealing with the mouth of La Venta 3, identify one fact: it has open lips. Kubler adds that the lips are deeply shadowed. Soustelle ignores it



Vicente Quintan

Colossal Head 3 at La Venta.

altogether and Clewlow et. al., as I said earlier, accumulate nonsense.

Now we can look at the reality of the monument (fig. 3). The upper lip has specific characteristics that, due to ignorance, negligence, or prejudice have not been recognized by those who have studied them. The lip has two separate sections (fig. 4). The feature is so obvious that guides, who explain the archaeological pieces to visitors at the *Parque Museo de Villahermosa* where they are found, identify La Venta Head 3 as the one with a harelip. Clearly, the heads do not require the attention of an expert to describe their real characteristics.

Ignoring these clearly visible features becomes truly incomprehensible when one looks at the photograph that Stirling published of the Head, where they are obvious beyond any doubt (fig. 1).

The Head was illuminated in order to be able to clearly see the shapes and shadows of its features. The nose can be clearly seen by the shadows thrown by the tip of the nose and the nostrils. Underneath the nose, a well lit wide surface indicates that there is no interruption other than the

two parts of the lip itself. The surface extends from the bottom of the tip of the nose and the nostrils as far down as the inner part of the lower lip. The shapes can be clearly appreciated. They extend from the corners of the mouth towards the center. The thickening forms of the lip do not meet.

The photograph illustrates clearly that the upper lip has two distinct sections separated by a flat surface between the cheeks and under the nose. The central flat portion between the two parts of the lip has been identified as an area eroded by the elements. Physical evidence indicates that this erosion is impossible. There is no possible physical explanation for weather eroding this surface, while leaving the bulges of the nose and the lower lip, above and below this same surface, almost intact.

The fact that the upper lip is separated into two distinct parts by a space can be seen in Stirling's photograph, though he neglected to mention or take into account that this feature could only be the work of a human hand. Furthermore, when we look carefully at the mouth, we inevitably come to the conclusion that the weather erosion the piece has undergone has not been severe enough to merit the above mentioned scholars' conclusions. I maintain that the shape and volume of the nose are easily perceived. There is no need for guessing. There is a lump on the cheeks dividing them from the flat surfaces surrounding the mouth and a virtually exact form of the mouth.

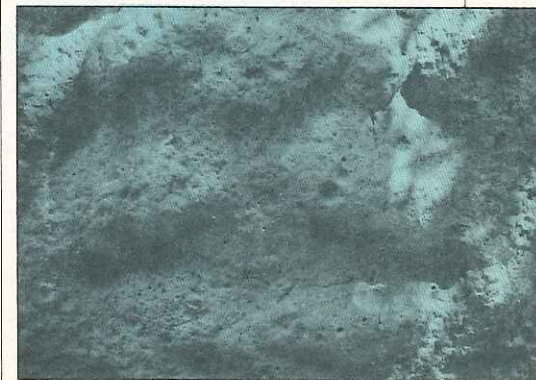
Having established the above, I will now endeavor to interpret the meaning of the representation of the upper lip on La Venta Head 3 and to support my explanation with solid facts. When I analyzed (Bonifaz Nuño, 1986:45) Covarrubias's iconographical description (1946:168-170) that sought to prove the "Olmec

influence on the evolution of the rain gods' jaguar masks" (fig. 5), I formulated the following theory: "If the face marked with letter 'A' in Covarrubias's description had been the source for all the others (which is now undisputable), one would have to conclude that the so-called *Olmec mouth of the jaguar* is not a mouth at all. It is not even a serpent's mouth, as Luckert (1976: pass.) proposes, but the stylization of two serpent's mouths that touch."

Practical proof of my theory followed: A great Olmec stone face, whose most significant feature is its mouth, was located at the Universidad Veracruzana's Anthropology Museum in Xalapa, in the State of Veracruz. I described the piece in detail (Bonifaz Nuño, 1989: 78-87). The mouth is formed by two serpent's heads that meet precisely in the middle of the upper lip (fig. 6).

Thus, it was the Olmec themselves who clarified the meaning of the trapezoidal shaped mouth which appears frequently in their stylized human images, and is often mistakenly identified as that of a jaguar. The wide upper lip can be explained by the need to create an appropriate space for the figures of two serpent heads that face each other.

When the Olmec carve lifelike faces, such as the Colossal Heads at La Venta, we observe the same wide upper lip. This is the feature that led

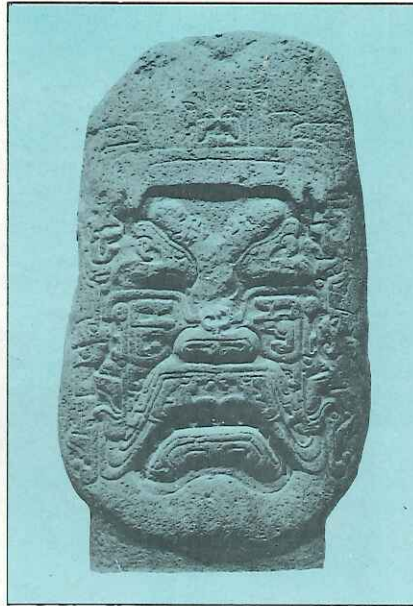


Mouth of Colossal Head 3 at La Venta.

the first scientists who mentioned them (Melgar, José, 1869: 292; Chavero, Alfredo, 1887: 63-64) to identify the heads as those of Africans. Thus, if both the stylized Olmec faces, as well as the lifelike one, have a wide space above the upper lip, and if it is clear that this space is created for two ophidian heads, we can assume the fact that an analogous wide space is intended to achieve the same end result.

Olmec Colossal Heads have wide upper lips in order to accommodate two facing snake heads. A glance is enough to observe how the image of two serpents' heads seeking each other would fit naturally into the space. The artistic sculpting of Colossal Head 3 affirms this without

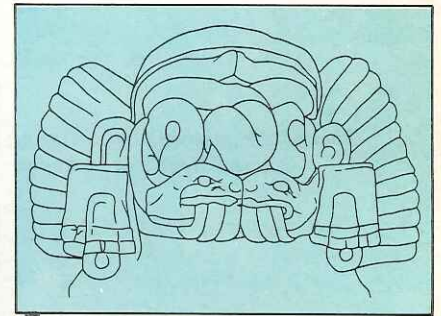
Antonio Vizcaino



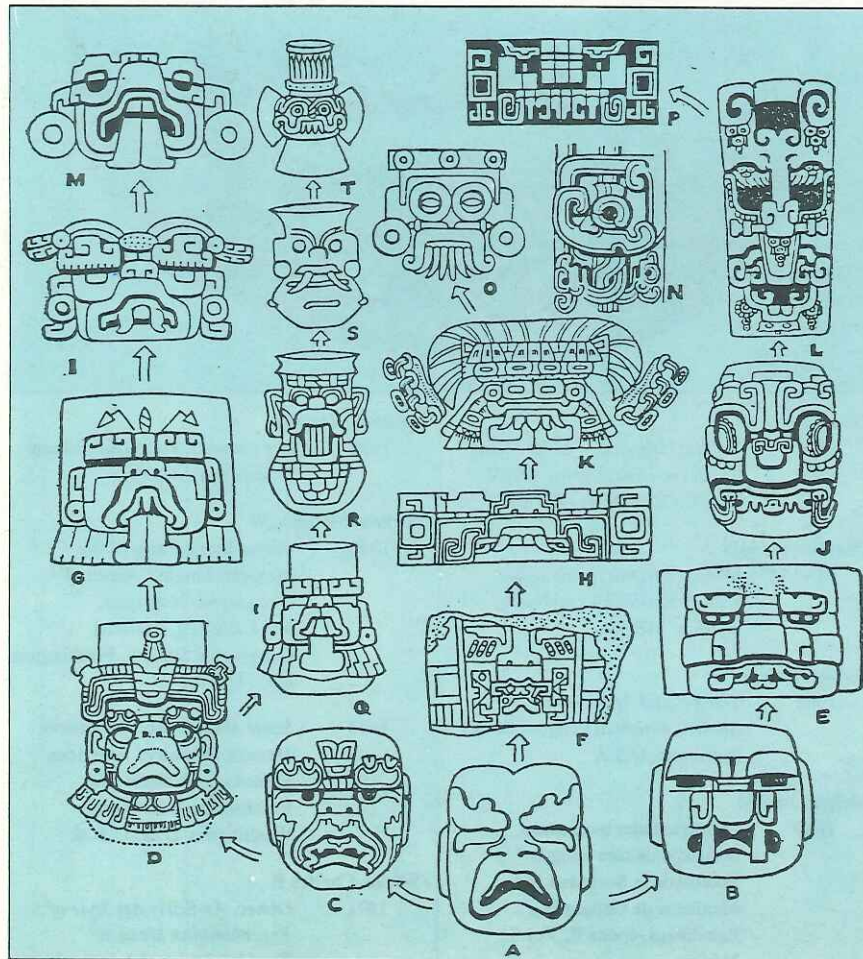
Olmec figure at the Universidad Veracruzana in Xalapa.

leaving any room for doubt. The two parts of the lip suggest the image of two serpents' heads on their way to a shared encounter.

When we compare the mouth on the face of this Head with that on the stone face at the Universidad Veracruzana's Museum of Anthropology, the evidence is clear. The iconographical features of the face found in Veracruz and the Aztec Tlaloc in the Uhde Collection at the Berlin Museum of Ethnography led me to call the Veracruz face *Tlaloc Uhde Olmeca* (fig. 7). The similarities between the two faces speak for themselves. The double lip of La Venta's Colossal Head 3 illustrates my logic.




Aztec Tlaloc from the Uhde Collection, Berlin.



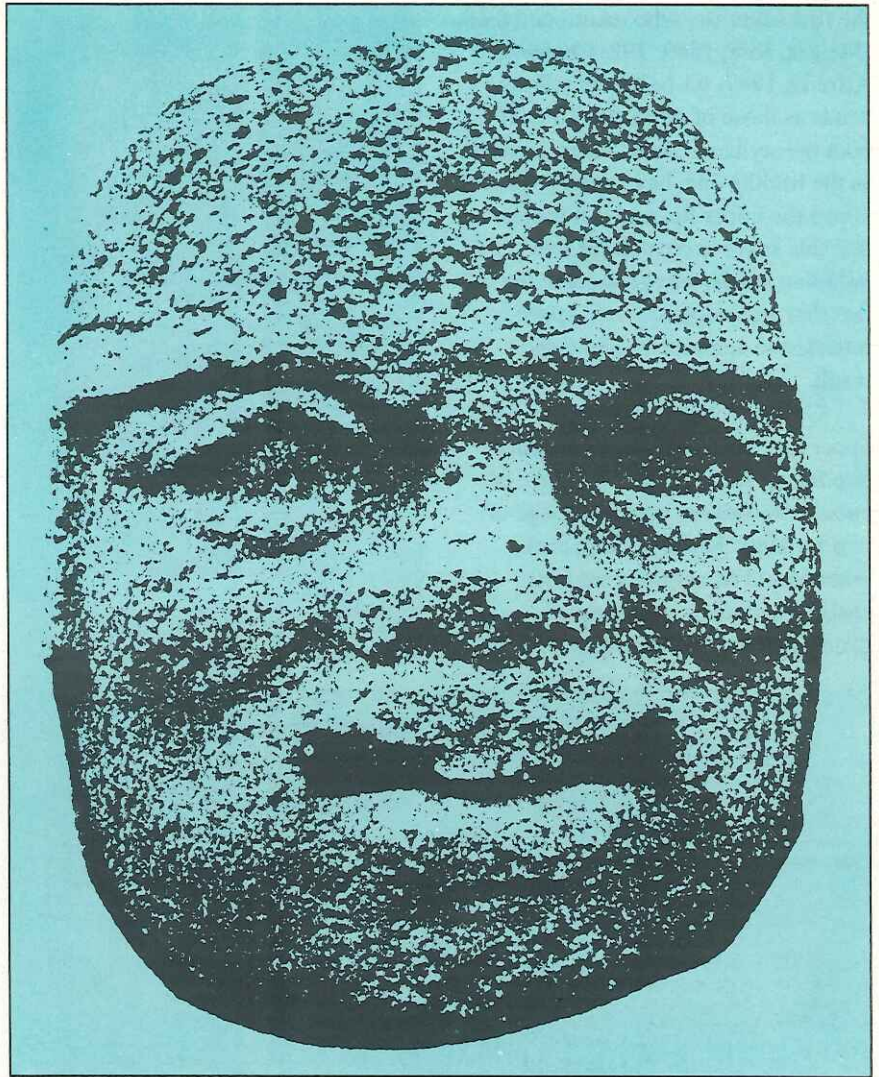
Miguel Covarrubias' iconographical wheel.

At this point, it would be important to consider whether the sculptor carving the divided mouth did so intentionally from the very outset, or, whether the idea was to suggest a concept, well known at that time, upon completion. This concept, known as "intentional destruction", is the exact opposite of how it sounds: it is a constructive ritual that, in the modified figure, open the doors of communication for universal harmony.

If the sculptors intention was the latter, then we can assume that the final sculptor of the La Venta Colossal Head 3 was the gifted one, clarifying decisively the fundamental significance of the shape of the mouths on the Colossal Heads. The double serpent trait was clearly exposed.

This assumption can be confirmed by examining the current appearance of the La Venta Colossal Head 2. The deliberate chipping of the upper lip creates, in a slightly less conspicuous fashion than on Head 3, the appearance of two ophidian heads with their mouths coming together. Knowing this, it is impossible to look at Head 2 without noticing the feature. Those who can only view photographs of the Colossal Heads, be forewarned that the very best photograph available was published by Stirling in 1943 (fig. 8) 

Photograph published by Stirling of Colossal Head 2 at La Venta.

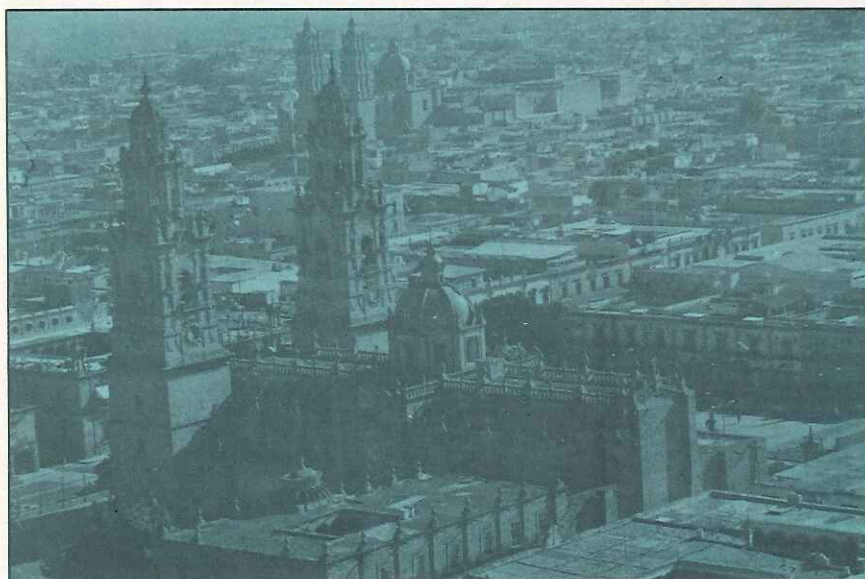


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THE BEAUTIFUL CITY OF MORELIA, capital of the state of Michoacán, is celebrating this year the 450th anniversary of its founding. Many festivities have been organized to commemorate the event. Both the local government and civil organizations have made a great effort to pay homage to a city which since January 1990, by presidential decree, has been officially designated part of our national heritage.

Anniversary of the founding of Morelia



Panoramic view of Morelia.

The city is outstanding not only because of its great architectural wealth, but also because it is rich in political, cultural and artistic activities. Its inhabitants have never been isolated from what was going on in the nation, and the most divergent forms of thinking have found expression here. Morelia may be characterized as being simultaneously aristocratic and conservative, liberal and jacobin, and even proletarian and socialist.

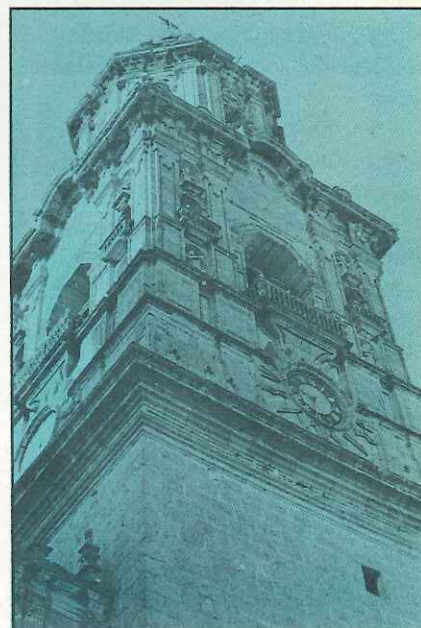
Founded on the 18th of May 1541, on the slope of Guayangareo, with the name of *New City of Mechoacán*, Morelia represented the new vision of expansion and population strategies for New Spain

drawn up by the first Viceroy, Don Antonio de Mendoza. A connoisseur of Italian Renaissance ways of thinking, Mendoza rejected the Spanish soldiers' and friars' desires to erect, in the conquered territory, the old feudal and theocratic organizations. Instead, the new town was to be part of a vast network of cities and monasteries scattered strategically so as to most effectively take over both the territory and the souls of its inhabitants.

At the beginning of 1578 the name *New City of Mechoacán* was changed to Valladolid, and on the 12th of September 1828 the Second Constitutional Legislature of the state decided to call it Morelia, in honor of

José María Morelos y Pavón, a hero in the struggle for independence from Spain who had been born there.

Morelia has never stood aside from the social processes that have transformed our country throughout its history. Its very foundation was characterized by the conflict with the neighboring town of Pátzcuaro which considered that it, not Morelia, should have pride of place as the province's political center.



The belfrey of the Cathedral.

Later on, particularly in the 18th century, Morelia took part in the cultural movement of the Enlightenment. It made a significant contribution to the ideological and

material formation of the Mexican nation, as various leaders of the independence movement had been educated in its schools.

After Mexico achieved its independence, the city passionately welcomed liberal ideas of the mid-19th century. In the early part of the 20th century it reflected the swelling tides of the Revolution, and grass-roots organizations of workers and peasant's unions sprung up in the twenties. Today the city represents a bastion in the intense awakening of the Mexican people to democracy.

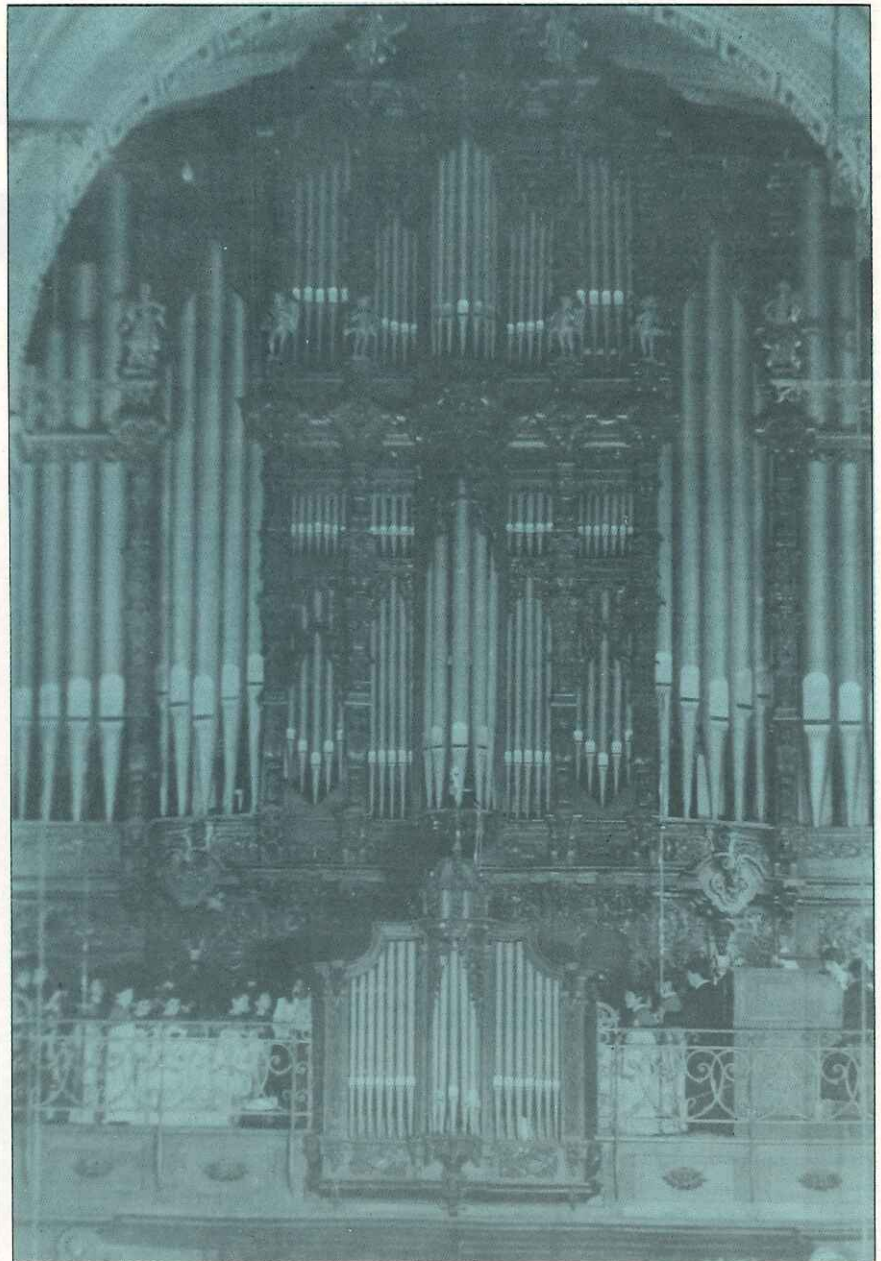
From the cultural and artistic point of view, the buildings that form the historic center of Morelia impress one by the beauty and sobriety of their architecture, as well as by their historical and cultural importance.

Among the most outstanding are the state government building and the San Nicolás de Hidalgo University, both of which were important centers for secondary and university education during the colonial period. Many of the key figures in Mexico's political and social life were educated there.

The present state government building was started in 1732 by the clergy to house the Tridentino Seminary, while it lasted, and finished thirty-eight years later in 1770. The Seminary taught Latin, Greek, Spanish and French (the classical languages), and law, philosophy, literature, theology and scripture among the humanities. It also had a branch for primary studies.



San Nicolás de Hidalgo University.



World renowned organ.

Many important national heroes, such as José María Morelos y Pavón, Melchor Ocampo, Agustín de Iturbide and General Mariano Michelena studied there. In 1859, when its students came out in favor of Maximilian von Habsburg's imperial regime, the republican general, Epitacio Huerta, turned the building over to his troops as a barracks.

The former San Nicolás College, now the University of Michoacán, is the second oldest in the Americas; it arose from the merging of two colleges, San Nicolás Obispo and San Miguel. Its most famous rector was Miguel Hidalgo y Costilla, a creole priest who is considered to be the father of Mexican independence. During the first century after the conquest, the college was the only



The fountain of the Tarascan women, and the aqueduct.

place where young men could be ordained properly, by virtue of a privilege granted by King Phillip the Second.

Another majestic building is the Cathedral, which took 104 years to construct and was finished in 1744. Here one can admire the monumental organ dating from 1905 and which is considered to be the most beautiful in Latin America, because of its 4,600 pipes which produce 4,600 tones or registers.

For the last twenty-five years, the International Organ Festival has been held in the Cathedral with leading organists from Europe, Latin America, the United States and Mexico taking part. Every year 15-20 applications are received from famous organists who wish to take part in the Morelia festivals. Thanks to them, the city has become the center for organ music in Mexico.

The Las Rosas Conservatory,


founded in 1743 and located in a very handsome building, was the first of its kind in Latin America and has a long-standing tradition for the quality of its graduates' musical talent. In order to foster excellence in its studies and musical performance, it has become the headquarters for the International Music Festival of Morelia which was held for the third year running in 1991.

This festival is characterized by its advanced courses in all symphonic instruments. This is thanks to the fact that specialists travel to Morelia to join the festival orchestra, where they devote a part of their time to giving classes in the Conservatory.

The Third Morelia Festival took place from the 20th of July to the 3rd of August and, for the first time in its history, was broadcast live, by satellite, to all the America continent.

Civil architecture in Morelia is also astounding. The Aqueduct,

after it was no longer used for its primary purpose, was preserved for its aesthetic value and is a landmark in the streets of the city. Domestic architecture, in spite of demolitions and new buildings, still enables us to glimpse what the old city had

Morelia has lived intensely during its 450 years and deserves, as well as any other, to be considered a worthy representative of the political, social and cultural wealth of Mexico throughout its history 

Elsie L. Montiel

Assistant Editor.

Eclipse in Mexico: a magic meeting

Mexico was privileged to have witnessed a total eclipse last July. The lunar shadow was first seen in the Pacific, southeast of Hawaii. It travelled fifteen thousand kilometers (9,322 miles), in three and a half hours, to the west coast of Mexico and then on to Brazil.

People in thirteen states and in the densely populated Federal District stopped their activities to look at the longest eclipse in our century: almost seven minutes over the central path in the State of Nayarit.

In Mexico City, the sky opened a window of sunshine in the midst of the rainy season so that the full beauty of the event could be appreciated. Meteorologists at the National Observatory had previously mapped out a detailed analysis of the last ten years so they could forecast the weather.

Thousands of people travelled to areas with projected optimum viewing

More people than ever before experienced the total solar eclipse last July. The path of the eclipse took it over densely populated areas, and through wide media coverage.

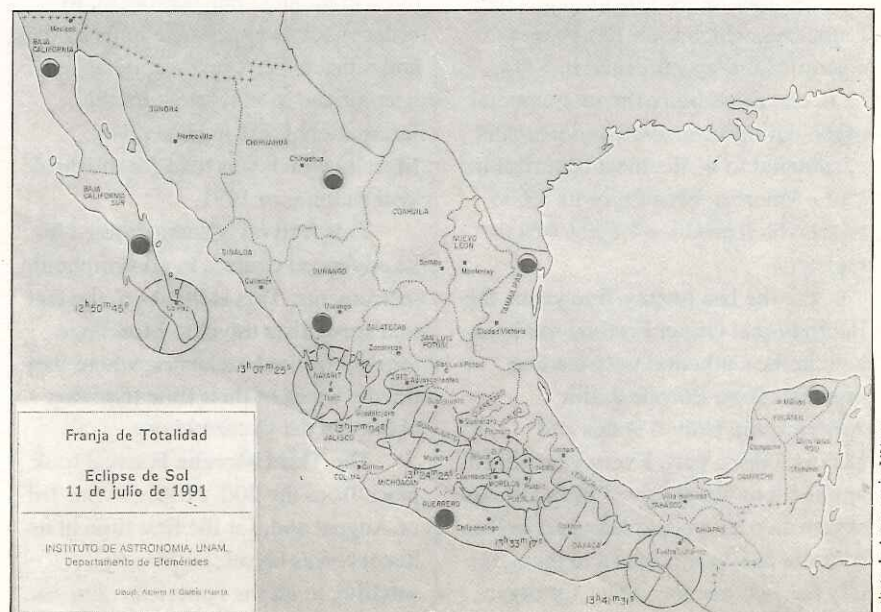
conditions to see the eclipse. Scientists from all over the world gathered to collaborate on biological and astronomical research; for some, an international first.

The eclipse was more than an opportunity for scientific activity. Musicians, poets and dancers gathered at many pre-Columbian sites, observatories and pyramids throughout the country to renew their pre-Hispanic roots. Spiritual meditation and ancient rituals accompanied the ceremonies in honor of the God of the Sun and the Goddess of the Moon.

Pre-Columbian beliefs in Mesoamerica

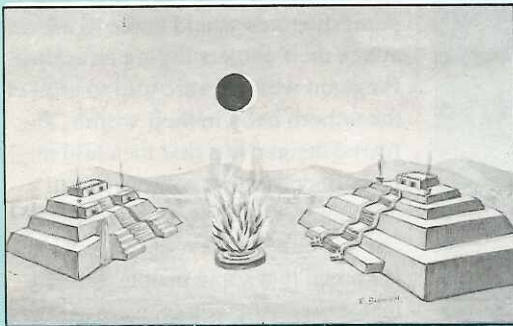
The people of Mesoamerica were aware and concerned with their relationship to the universe. They developed a sophisticated body of knowledge in mathematics and astronomy. Their goal was to predict the changes on earth generated by moving planets and events such as solar eclipses.

Planets were said to control time and order life in general. The combination of symbolism and astronomy led them to deify the Sun, Moon and other planets. It was

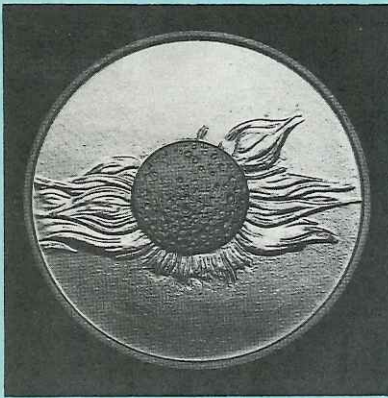


The path of the eclipse.

The Sun and the Moon (Aztec legend)



The first Sun, the Sun of Water, was taken by a flood. All who were in the world became fish. The second Sun was eaten by tigers. The third was swept by a curtain of fire that burned the people. The fourth Sun, the Sun of Wind, was taken by a storm. The people became monkeys and scattered in the hills. Thoughtful, the Gods met in Teotihuacán. Who will usher dawn in? The Lord of the Snails, Known for his power and beauty stepped forward. "I will be the Sun," he said. "Anyone else?" Silence. But they all turned to look at another, the small deformed Lord, the most forsaken and ugly of them all, and they decided: "You." The Lord of the Snail and the small Lord went off to the hills that are today the Pyramid of the Sun and the Pyramid of the Moon. There, fasting, they meditated. Later, the Gods gathered wood, built a huge bonfire and called them. The small God gathered his strength and jumped into the flame. He appeared immediately, radiant, in the heavens. The Lord of the Snails looked at the bonfire, wrinkling his brow. He went forward, backward, withdrew, stopped, turned a few times. Since he wouldn't decide, they had to push him. It took along time for him to rise in the heavens. The Gods were angry, so angry they beat him. They hit his face with a rabbit, once and then again, until the brilliance was gone. Thus, the arrogant Lord of the Snails became the Moon. The blotches on the Moon are the scars from is punishment. The brilliant Sun, however, did not move. The obsidian hawk flew to the small Lord. "Why don't you move?" And the crippled, disdained, hunchback said: "Because I want the kingdom and blood." That fifth Sun, the Sun of Movement, lit the Toltecs and lights the Aztecs. It has claws and feeds on human hearts.



Medallion commemorating the total eclipse of the Sun issued by the UNAM.

important to have precise information on the activities of the Sun and Moon. It was also important to chart the movement of planets and stars, in order to maintain normal life cycles. Celestial activity ruled crop planning, harvesting, and ritual community celebrations.

An eclipse was thought to be a cosmic error affecting the cycle. There are many myths and beliefs among the pre-Hispanic Mesoamerican peoples. Some believed that an eclipse was an attack on the Sun or the Moon. Others, that it

was an evil being, such as a jaguar, an ant or an iguana, trying to consume the planets and thereby threaten the natural cosmic order of life on earth.

If the monster was allowed to succeed in devouring the "master planet" during a solar eclipse, the world would be left without light, in a permanent shadow and the evil being could come down and destroy the people. Everything possible had to be done to keep the monster at a distance. Thus, some pre-Hispanic peoples believed that producing a loud racket would achieve their goal.

So, some people tried to help with drums. Others, took up arms: knives and machetes, either to help the Sun or protect themselves from evil. And there were those who built huge bonfires to provide the light that the Sun lost.

There was also the belief that domestic tools would come to life and attack their owners during an eclipse. Pregnant women were told to protect the unborn baby in their womb. The feared danger was that the child might be born deformed, without lips or a nose, or even of becoming a monster, like the one that devoured the Sun. It is known that some people thought that if pregnant women were exposed to a solar or lunar eclipse, they risked giving birth to a child with black (in solar eclipse) or red (lunar) spots. Women were told that they should place an obsidian blade in their mouth, on their chest or on their bellies to defend the fetus from negative influences.

We have known for at least two hundred years that eclipses are normal cyclical events. However, fear and superstition of the unknown withdraw slowly. Scientific information gathered for centuries is contributing to dispel magic-laden thought patterns. The media bombarded the Mexican population with information on viewing safety, and while it frightened many, it reassured others who were treated to one of nature's eeriest phenomenon: a total eclipse of the Sun ✨

Elsie L. Montiel
Assistant Editor.

This book offers a non-partisan approach to the most controversial figure in Mexican history. This study is based on original documents, modern works and previously unpublished material.

cruelty, nobility and criminality. He was also a surprising personality. Although he was merely a settler among many others, at a crucial moment he rose to lead the conquest of Mexico as if he were a captain and experienced politician.

With a few hundred Spaniards and superior weapons, he manoeuvred so effectively that the Indians

Hernán Cortés

*José Luis Martínez**

The history of Mexico is alive and kicking. Here no one has died, in spite of the assassinations and the firing squads. Cuauhtémoc is alive, and so are Cortés, Maximilian, Don Porfirio (Díaz) and all the other victors and the vanquished. That is the original thing about Mexico. All its past is alive and present. The past is not dead. The past is not past, it has stopped.

José Moreno Villa

As soon as Cortés stops being an ahistoric myth, and becomes what he really is—a historical character—the Mexicans will be able to have a clearer, more generous and more serene view of themselves.

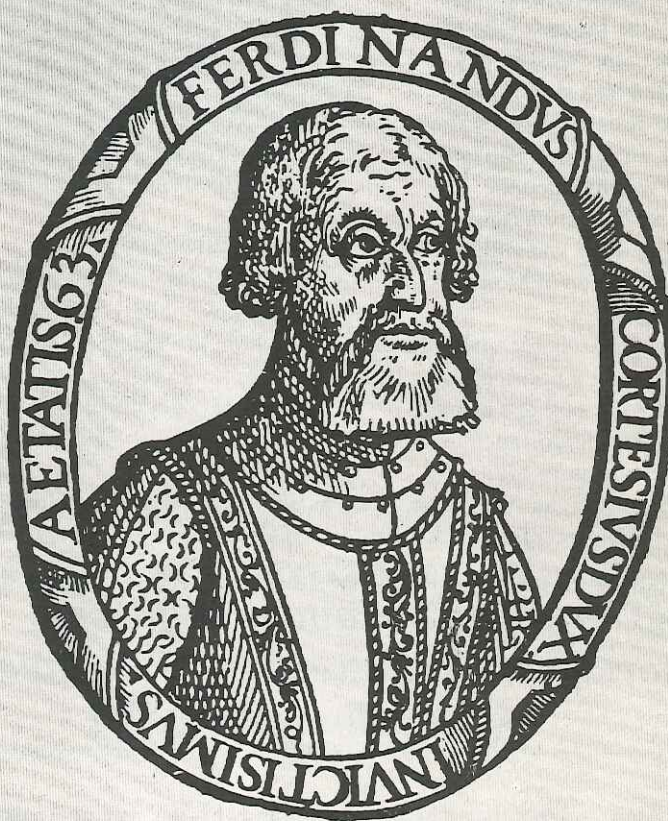
Octavio Paz

The fate of the conqueror and the vanquished

Like almost all mortals, Hernán Cortés was a contradictory mixture of good and evil, fair and unfair acts, greatness and meanness, courage and

* Director of the Mexican Language Academy.

José Luis Martínez



Hernán Cortés



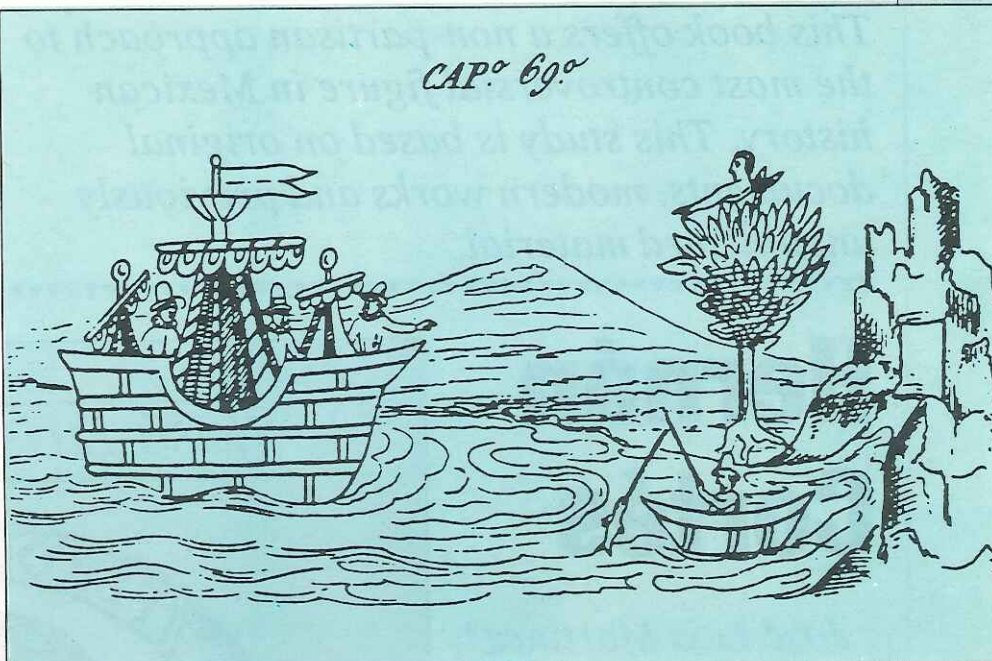
themselves defeated a powerful empire defended by thousands of valiant warriors. After his victory, he built one of the most ambitious Spanish cities of all times, and in the territory he called "New Spain" he laid the groundwork for its political organization and for the introduction of Spanish language, religion and customs, in addition to Spanish-style agriculture, cattle-raising and industry.

Not only did he conquer the people of ancient Mexico but he subjected them and made them into serfs of the conquerors. He had experienced the failure of the brutal exploitation in the West Indies, yet he insisted on a similar type of servitude designed to preserve, the Indians, purely as cheap labor. In this way was initiated the integration of indigenous and conquering peoples and cultures, which was to be one of Mexico's permanent features.

Although Cortés recognized the native people's political capacity and aptitudes, he perhaps did not attach sufficient importance to the strength and antiquity of their culture. The fact is that the Indians, in spite of having accepted that their

“Cortés did not attach sufficient importance to the strength and antiquity of the Indian culture”

gods were dead, and that they had become serfs of tyrannical and often ruthless masters, kept alive their consciousness, their traditions and their resentment. This resentment was nurtured by the new nation that Mexico was to become, and would later be the dynamic behind the grievances against the conqueror. The trauma of the conquest is, in some respects, still an open wound in Mexico.



Juan de Grijalva's arrival in Chalchicuecan.

Extreme attitudes

Therefore, Cortés always pushes us to extremes; we either exalt him or detest him. We locate in him the conflict of our origin and, faced with the clash brought about by this joining together, some are led to consider the actions of the conquerors as unjust, brutal and rapacious, and the native people as victims, whose

culture is exalted as a noble past; while others, starting off by justifying the right to conquer, imagine it as a series of heroic acts, whose protagonist was Hernán Cortés, and that thanks to his victory over barbarian and bloodthirsty peoples, we received the benefits of Spanish and Western culture.

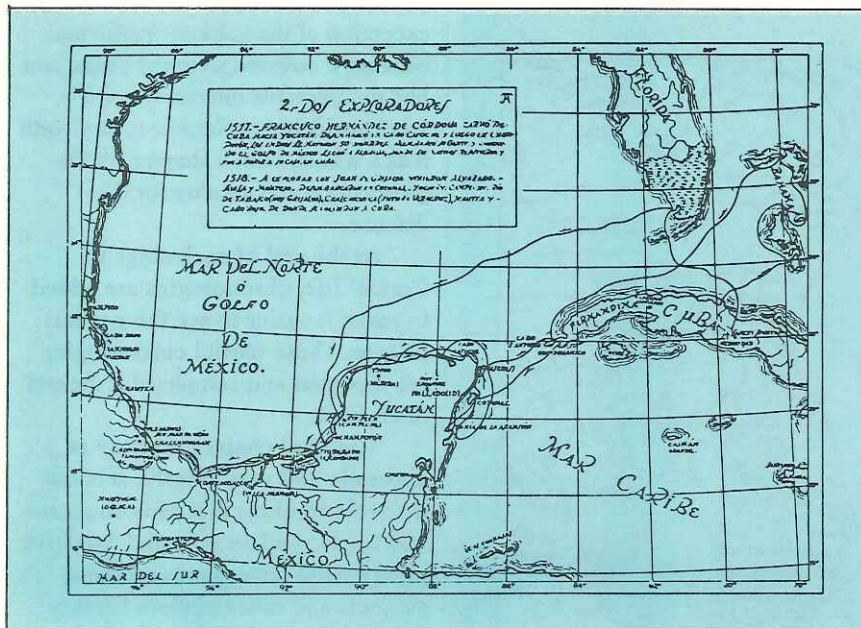
With a few notable exceptions, these attitudes towards Cortés and the conquest have also been predominant

among historians, from Francisco López de Gómara and Bartolomé de las Casas, in the times of the Conquerors, to Eulalia Guzmán and Salvador de Madariaga in our own days. The same is true of historians writing in other languages.

A third path

The eulogies or the condemnations may reinforce one's prior convictions but cannot change the past and hardly help us to know it better. With regard to Cortés and the conquest, some partisans have considered a handful of facts sufficient to support their judgments and pay more attention to the arguments than to research into what actually happened.

If we avoid such preconceptions a third path is also possible. In the case of Cortés there is an enormous collection of documents published over many years, and in addition a large body of unpublished material. Moreover, the chronicles, the old historians and the modern researchers have gathered data, analyses and interpretations that make it possible to



Route taken by Fernando Hernández de Córdoba and Juan de Grijalva, early Spanish explorers.

accumulate an historical knowledge of the facts as objectively as possible.

However, in spite of this abundance of documents and information there are still considerable gaps in the story of Cortés' life, and some rather shady patches. For example, the *juicio de residencia* (trial) against Cortés, the second part of the defense of which has been ignored; his last decade in New Spain; the maritime expeditions which have been well studied but not the other aspects of Cortés' life in those years; and, finally, his last stay in Spain which is hardly known and is usually glossed over with a few anecdotes.

Therefore, we are far from exhausting the study of Cortés' life and personality, since there is still much to verify, clarify and interpret. As he was one of the main actors in the drama of our origin, in the personality and actions of Cortés and those of this time many features of our political, social and cultural life have their origin, as do some of our vices and virtues. For all of these reasons, it is still important to know more about Cortés.

Standards and methods of work

The main standard for judging the present work on Cortés is its commitment to being guided by an honest desire for knowledge. To achieve this we have only the testimonies of the past, what different sources related and what has been preserved. These sources are

The method of work is to lean, as a basis for information, on the primary documents, either the reports and other writings by Cortés and the other conquerors and settlers -including the history of López de Gómara, insofar as this is based on information obtained directly from the conqueror-, as well as on ancient testimonies by chroniclers and historians of Spanish or Indian inspiration. And as illustrative or interpretative complements, attention is paid to data, analyses and judgments stemming from later researchers.

Of Cortés' writings, the *Cartas de Relación* (reports) are the most important, as they offer the first testimony of what ancient Mexico and its conquest was like. However, the rest of his documents are also indispensable in order to know the personality and the actions of their author, and the first steps for organizing New Spain, both in the brief period covered by the *Relaciones* and in the previous years, and in the long period afterwards up to the death of the conqueror.

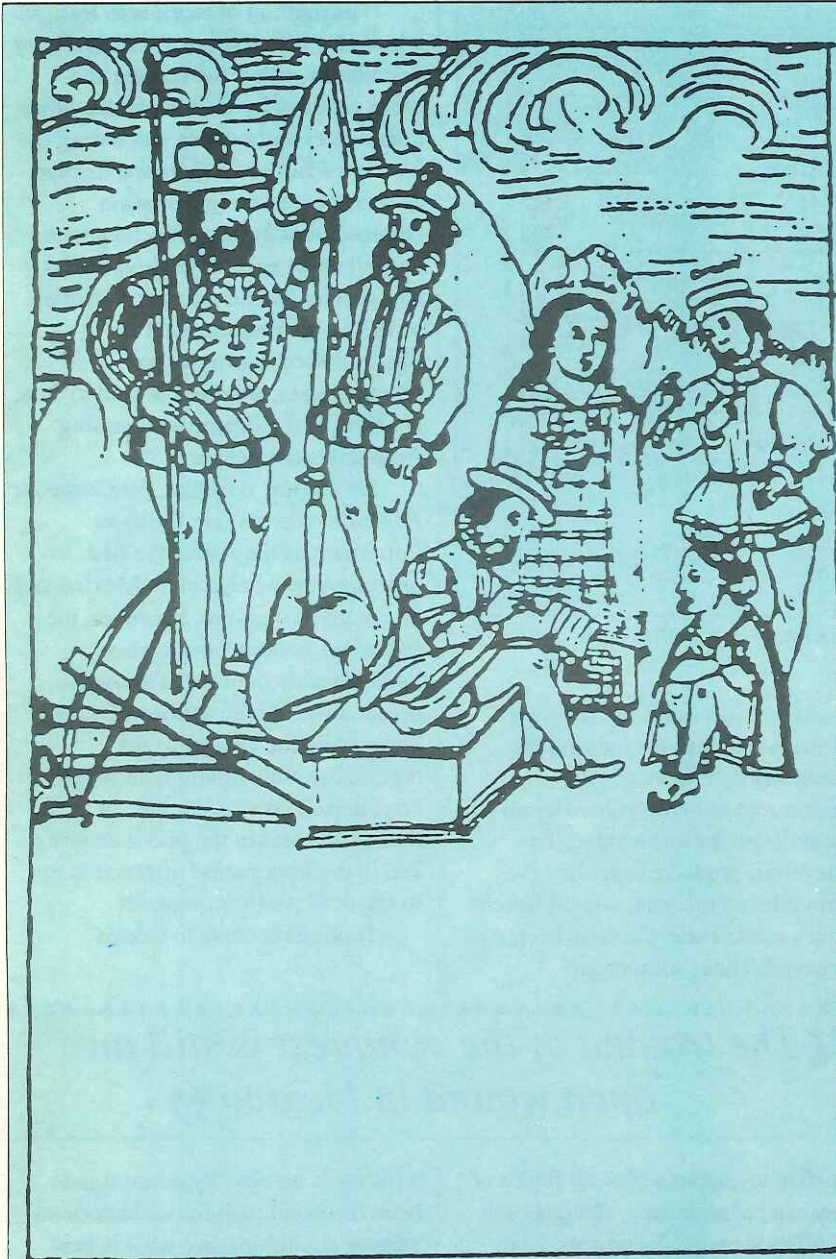
Having recourse to Cortés'

“The trauma of the conquest is still an open wound in Mexico”

sufficient to guarantee that all flights of fancy can be minimized, and that each fact is based on the documents. And whenever there are outstanding and controversial episodes, we must retrieve all the versions known -whether from Spanish, Indian or other sources- so that the reader may form his own judgement from the divergences and contradictions, or he may simply allow himself to slide into perplexity. In this work the author sometimes interprets the facts and gives his opinion, but he does not omit any possible element that may lead to different conclusions.

writings is no novelty, since it has been the usual path for all historians writing about him, but what is new in this work is the systematic confrontation of these writings and the wider volume of material that is available today.

This has been possible thanks to the fact that the author of this history worked at the same time on gathering and editing the body of material known as the *Documentos cortesianos* (Cortés' documents), comprising slightly over three hundred works, and which, in addition to the *Relaciones* is constantly kept up to date as an



*Si quis se delectat in istis ad h. Gaspar de Cortés y de sus compañeros ad
que venían de aquella tierra en años de 1519.*

The Indian speaks, Marina translates, Cortés dictates and the scribe writes.

ongoing history of Cortés. The present study and the *Documentos* are in fact conceived as a unit.


The first three chapters that describe the clash of the Old and the New World, ancient Mexico, 16th century Spain and the situation of the

Indians after the conquest, are schematic and should be considered merely as a frame of reference for situating Cortés' actions in cultural time and space.

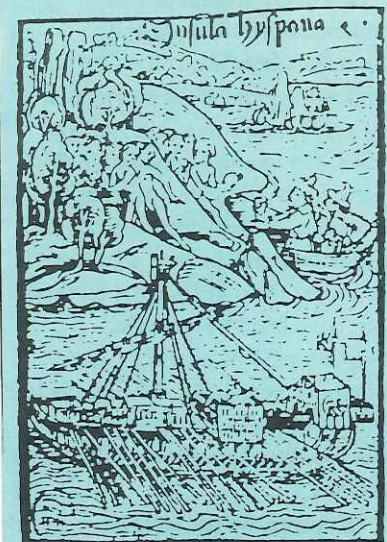
In general a chronological sequence is followed, with the

exception of the *juicio de residencia* because it covered so many years, and had innumerable interruptions, it was considered preferable to deal with it as a whole, with a chapter for the prosecution and another for the defense.

At the end of each stage in Cortés' life, chronologies are added to make it easier to see the general picture. These partial chronologies are repeated and completed at the end of the book.

The final chapter, by way of appendix and very briefly, sets out the repercussions that the conquest and Cortés had on epic and narrative poetry, with some notes on these subjects and other modern literary and artistic forms of expression 

De Insulis nuper in mari Indico repertis



The first image of America.

Trist, negotiator for the U.S. in the War of 1847

*Alejandro Sobarzo**

TRIST was a unique person. According to diplomatic records of the time his conduct while fulfilling his mission was rather peculiar, yet, what seems even more odd is that not very much research has been done about him. There are occasional articles in professional history journals and brief remarks in books written about the conflict, but what remains to be done is a biography with full details about his trip to Mexico, his stance during the Peace Talks, and other aspects of his life.

What comes to mind, then, is this question: What makes Trist so unique? Here is a brief recapitulation of history. Trist, after several months of fruitless negotiation, was ordered to suspend all discussions and return to Washington as soon as possible! The reason was

Nicholas Trist, from Charlottesville, Virginia, was sent by President Polk as a Special Envoy to the Mexico-U.S. Peace Talks after the War of 1847, and was promptly forgotten by history.

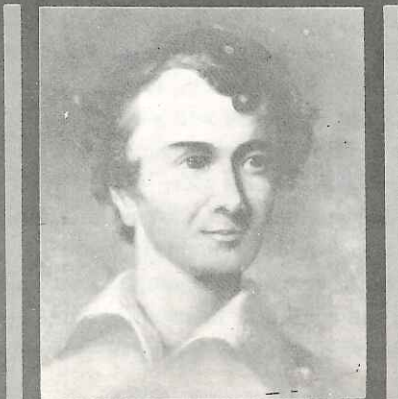
that the United States had determined not to continue negotiating on the original premises. They wanted more territory from Mexico since the war had continued to generate increasingly large expenditures and loss of life, and as a result the Americans wanted more territory.

Polk wanted the border between the two nations moved much farther south than initially requested. Regardless of how incredible it may seem, Trist considered Polk's request for a few days and then decided to stay in Mexico. He was influenced by two factors: first, the injustice of the war, and second, the uncertain prospects for ratification by the Mexican Congress. Trist felt that the war epitomized "abuse of power" by the United States. It would have been difficult to get the Mexican Congress to accept losing a large part of its territory, even without Polk's expansion of the area originally agreed upon. The more Mexico was penalized, the harder it would be to ratify the Treaty.

Documenting the events is easy: President Polk recorded the facts in his journal. If Nicholas Trist had followed orders and returned to Washington when he was told to, Mexico would have lost significantly more land than the vast region in the North. What Polk had wanted was to add the area east of the Sierra Madre mountains. This would have meant giving the United States what are today the States of Nuevo León, Tamaulipas, Veracruz and

* Former Mexican Senator and Ambassador at Large.

DEBER Y CONCIENCIA
Nicolás Trist,
el negociador norteamericano
en la guerra del 47



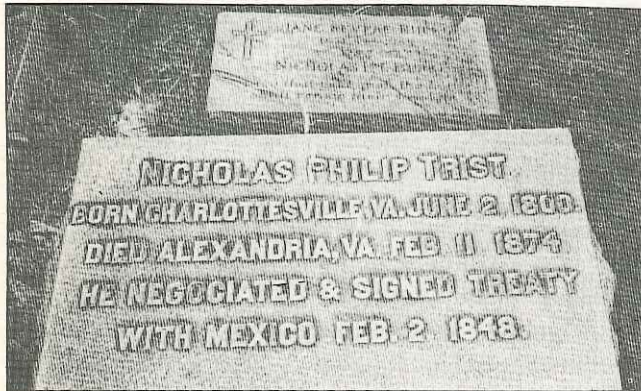
ALEJANDRO SOBARZO

Tabasco. This means that Mexico would have lost an area of abundant oil resources as well as most of the coast of the Gulf of Mexico.

It is evident that we cannot discard the speculation of those who espouse the "All of Mexico" theory. The idea of annexing the entire country to the U.S. was not farfetched. Several newspapers supported it, among them the *Boston Times*, the *New York Sun*, the *New York Herald*, the *Philadelphia Public Ledger* and the *Baltimore Sun*.

Powerful politicians were also furthering the cause. The list includes Senators from Texas (Thomas Jefferson Rusk), Indiana (Edward Hannegan), New York (Daniel Dickinson) and Michigan (Lewis Cass). These legislators were influential people of their time, and their opinions carried a lot of weight in Washington and the entire country. Senator Cass, a Democrat, even ran for President in 1848 but lost. His opponent was the popular General Zachary Taylor, who won the war against Mexico.

It is difficult to understand how Nicholas Trist has escaped the attention he deserves in Mexican history during all these years, when Mexico owes to him its having kept many square miles of her territory. It is also strange that historians in the United States have not chosen to write about his life. The Mexican episode is but one among many engaging aspects of his life, all of which make interesting material for research.



Nicholas Trist's grave in Ivy Hill cemetery.

Trist lived in Monticello. He studied law under Jefferson, and worked as an Assistant Secretary to President Andrew Jackson. Following this assignment, he was appointed Consul in Cuba, where he made his first mark as an independent thinker with respect for the law. Trist had serious confrontations with shipowners and captains from the United States. The problem was carried as far as the U.S. Congress, which decided against his accusers. The Congressional decision used these words: The evidence did not affect "Mr. Trist's integrity and honor" in any way whatsoever.

There is no question that the stance taken by Trist in Mexico is the most outstanding chapter in his life. His

colleagues, particularly three peers who represented Mexico at the negotiating table, held him in high esteem¹. They recognized that it was his "admirable integrity" and "lofty ideals" that made peace possible.

Logic supports the suggestion that his disobedience brought down on him grave consequences in Washington. Trist not only lost his job with the State Department, but was denied payment for his expenses in Mexico. It would not be until many years later, during the administration of Ulysses Grant, that, weary and fatigued from economic problems and age, Trist decided to present his claim to the U.S. Senate. The institution decided in his favor and ordered the payments made.



Virginia Jefferson Trist's grave in Ivy Hill cemetery.

It was during this period that Trist was appointed Postmaster of Alexandria, Virginia, where he died in 1874. Unfairly forgotten, he rests in peace under a modest tomb in Ivy Hill Cemetery. My book, *Deber y Conciencia, Nicolás Trist, El Negociador Norteamericano en la Guerra del 47*², recently published by Editorial Diana in Mexico, attempts to ameliorate this disregard.

Years of research in libraries in the United States, Mexico and Havana, went into this book. The best source of information were the letters Trist wrote. It was here that I discovered fascinating information about Trist's impressions of Jefferson, Jackson, Winfield Scott, Polk and other celebrities of his era, as well as vivid descriptions of his sojourn in Mexico and Cuba. The letters from family members, especially from his wife, Virginia Jefferson Randolph, granddaughter of the "Wise man from Monticello", also provided valuable information.

Nothing would give me more satisfaction than knowing that my work will contribute to rescuing a unique man, to whom all of Mexico is indebted, from oblivion **M**

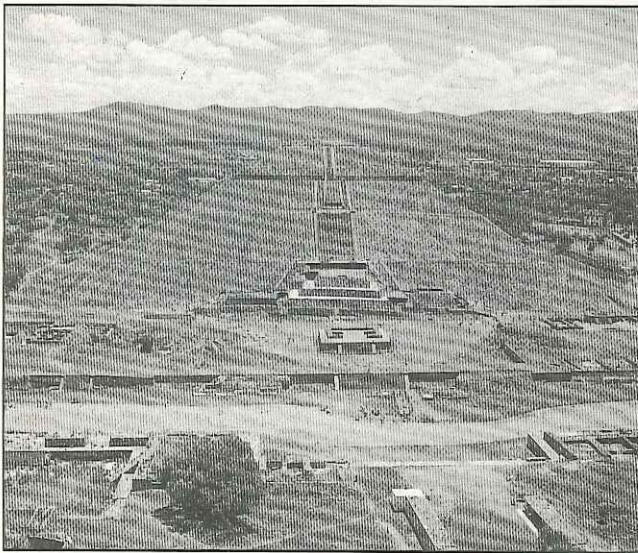
¹ The three most important Mexican negotiators for the Treaty of Guadalupe Hidalgo were: José Bernardo Cuoto, Luis G. Cuevas and Miguel Atristain.

² Duty and Conscience. Nicholas Trist, Negotiator for the United States in the War of 1847.

Mexico: a work of art

*María Teresa Márquez**

MEXICANS who travel on business, for pleasure or academic pursuits, have been aware for a long time that, generally speaking, our country simply doesn't exist on the map and that foreigners know very little about us. News from Mexico makes the press, in general, when we have a major natural disaster, a violent murder or a brazen case of corruption.



Teotihuacán: Pyramid of the Sun.

Many Mexicans, conscious that ignorance breeds mistrust and hampers both cultural and economic relations between countries, have initiated concerted efforts, individually or organized in special programs, to change this situation. Naturally, this didn't mean traveling around the world to tell people that the situation in Mexico is "in the pink". However, due to our effort to improve, train ourselves and modernize, there is a tendency towards

* Director of the Foreign Affairs Cabinet of the Presidency.



Seated figure, 10th-6th century B.C.

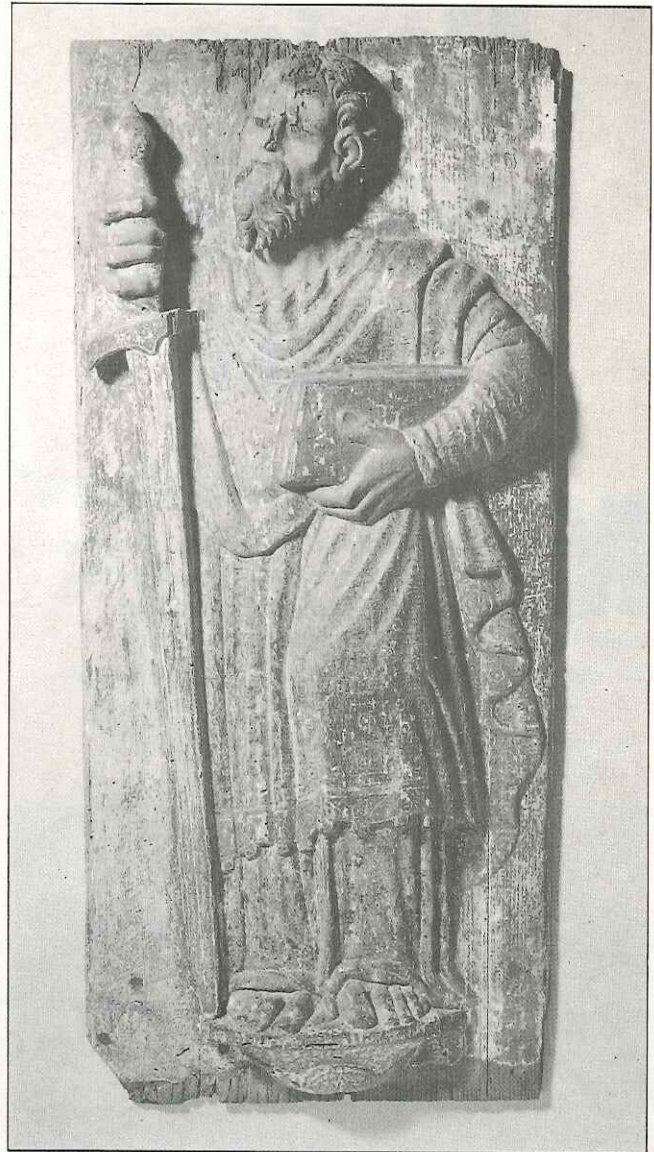
change, and what the outside world says is sounding a bit more optimistic.

One of the most successful programs for accomplishing our goal is *Mexico: A Work of Art*, which includes the extraordinary collection of Mexican art *Mexico: Thirty Centuries of Splendors*, first shown at the Metropolitan Museum in New York.

The exhibit was sponsored by a group of Mexicans known as the Mexican Art-Lovers Foundation. It includes more than four hundred works of art from the earliest Pre-Hispanic, to the Colonial, through the 19th Century and Contemporary Periods. The Metropolitan gave it almost five thousand square meters (more than fifty thousand square feet). After New York, the exhibit travelled to the San Antonio Museum of Art and will be on display at the Los Angeles County Museum in October of this year.

Mexico: A Work of Art is a program that endeavors to take full advantage of the exceptional opportunity offered by the exhibit to increase awareness and familiarity with Mexico's rich cultural tradition, and thereby open new avenues for future cultural, commercial, economic and tourist exchange.

The program was focused on the projected audience of four to five thousand visitors in New York



St. Peter and St. Paul, second half of 16th century.

alone, as well as the secondary passive public that would read, hear and talk about it. As it turned out, the New York exhibit drew more than six hundred thousand people. The hope was that those who saw the exhibit, would have a deeper understanding of our traditional values. As a result, they would want to know more about Mexico, and this would promote greater insight into our people.

The challenge, then, was to make full use of the opportunity by making parallel programs available, so that people could pursue their interest in and about other aspects of contemporary Mexico. We were able to develop more than three hundred parallel events, supported by a group of government offices¹, private enterprise, the academic community, scientists,

artists and others dedicated to promoting the arts and cultural events. The season in New York included cultural, academic, tourist, trade and gastronomic events as well as parallel art exhibits. A similar program took place in San Antonio.

This was by no means an easy task. As the French would say: "New Yorkers are somewhat *blasé*, they've seen it all!" What could we provide to awaken their interest in Mexico, when they have already seen everything? We had to plan carefully and after giving it a lot of thought, we succeeded: they were interested!

¹ The Ministry of Foreign Affairs; the Ministry of Trade and Industrial Development; the Ministry of Tourism and the National Council for Culture and the Arts.

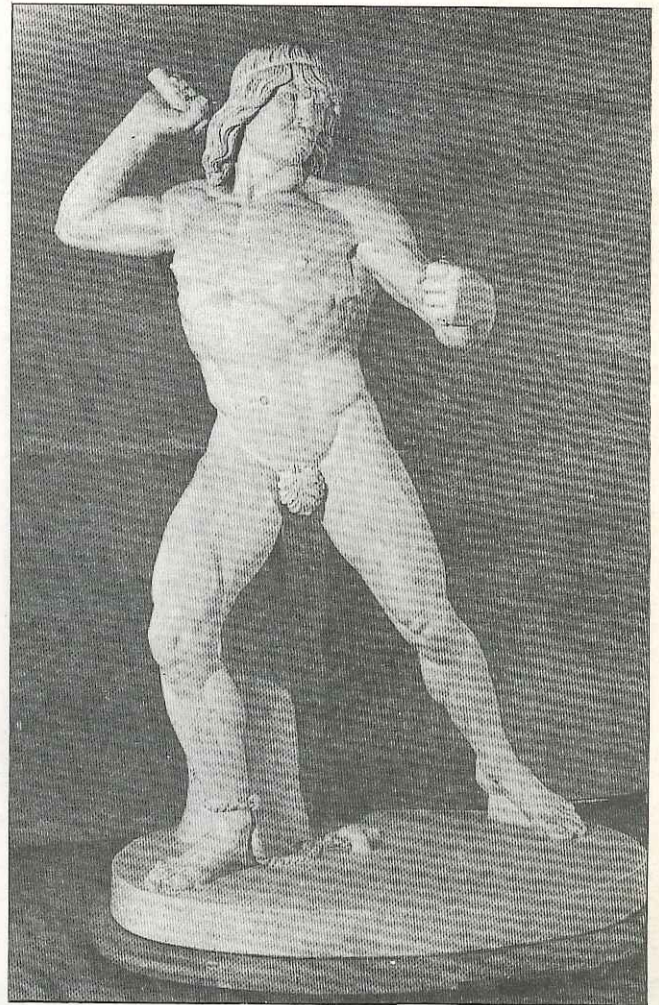
Since Los Angeles has the second largest Mexican population of any city in the world outside Mexico, even more parallel events are expected. The Mexican community both in Mexico and in Los Angeles, are proud of their heritage, and are presently working on special programs that will undoubtedly create a stir.

Mexico: A Work of Art has been promoted by many very successful advertising and public relations campaigns. Thousands of words were published by local and national press, as well as by journals in the United States. Press coverage included forty magazines, some of which are among the most widely read in the country, and more than 150 newspaper articles in East Coast publications.

In statistical terms, it is estimated that the press coverage reached more than fifty million readers. Radio and television almost tripled that number to an audience of more than one hundred and twenty two million. The Public Relations Society of America, recognizing the successful effort, awarded its Fourth Annual "Big Apple Award" to the campaign.



Facade sculpture: St. John, about 1684.



The Tlaxcalan General Tlahuicole, 1851.

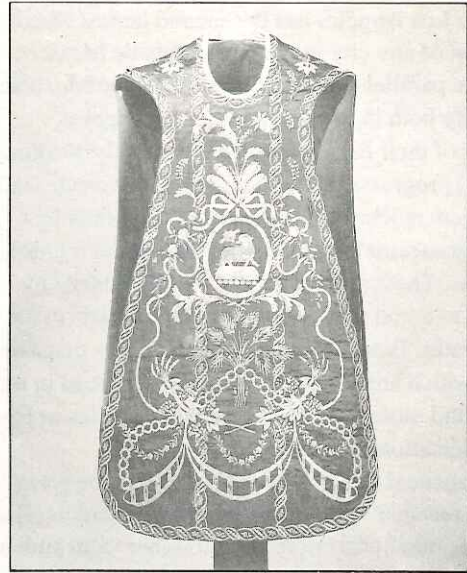
Even though the initial goal of increasing awareness and information about Mexico was achieved, we, who are informed and proud of our country, were astonished by the overwhelmingly positive response from the public in the U.S.

We, as participating members of the Mexican intellectual, cultural and academic community, as well as those of us who work in the government and private enterprise are well aware that time doesn't stop and wait for anyone. Mexico is, indeed, a work of art and we want everyone to know it. In this way, we will be able to join today's modern world.

As we become part of today's world, we hope to buy some time for those who most need it. We also feel, undoubtedly due to unresolved psychological traumas, that the more recognition we receive abroad, the more respect we will have for ourselves. We will be prouder of what we do and who we are, and therefore do a better job in whatever we chose to tackle **M**



José Clemente Orozco, Barricade, 1931.



Chasuble, about 1795.



Palenque: detail of stucco relief.



David Alfaro Siqueiros, Ethnography, 1939.

Abel Quezada and Rufino Tamayo

Abel Quezada, a great humorist
Abel Quezada (1920-1991) created the modern cartoon in Mexico. In 1989 *Time* nominated him as one of the ten best cartoonists in the world.

His life was always ruled by humor, a quality which made him one of the most famous and popular cartoonists in the country. Quezada always said that without humor, people would die of boredom. But then again, he warned, one must not take humor too seriously, lest one run the risk of becoming a clown; humor, he proposed, should be used in small doses, like sugar in coffee.

He commented that Mexicans have a very developed sense of humor, but not when it comes to laughing at themselves; they tend to get offended and are incapable of doing what such humor demands: offering themselves willingly and in good humor as objects of mirth.

He defined cartoons in the following way: "They have always been the outspoken critical voice of the people," and said that cartoonists as interpreters of the masses should not put passion before the interests of the country.

A different man, a green man

Abel Quezada, was born in Monterrey, Nuevo León, on December 13, 1920, and died of leukemia at his home in Cuernavaca on the 28th of February of this year.

Quezada described himself as a *green man*: "There is no name for what I do. I can't say I'm a caricaturist, since I do not know how to create real caricatures. I can't say I'm a cartoonist because the word does not really describe my work. I do illustrated texts. Thus, when I define my profession, I like to say that I am a draftsman. And drawing is a pleasure that few people know, a secret weapon, equivalent to another language. We who were blessed with this gift don't have to worry about anything. We'll never lack anything. We are like the bearded lady, or the green man. That is, we're different."

The time he lived in Comales, a small town in the state of Tamaulipas, marked his *green heart*, and he continually referred to it later, calling it the capital of the civilized world.

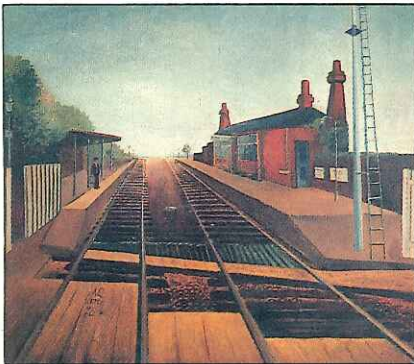
Abel Quezada and Rufino Tamayo, two great Mexican artist, died this year. Both were recognized in New York and both retired to Cuernavaca, an hour away from Mexico City. Voices of Mexico honors their memory in recognition of their artistic contributions to the vibrancy of modern Mexican cultural life.



Abel Quezada, Portrait of a Young Lady in Cuernavaca.

Quezada used to tell people that in 1951 he was introduced to a beautiful young woman and that he immediately said to her: "Pleased to meet you, Yolanda, would you like to marry me?" Although she was offended at first, a few minutes later they got married and had three children.

In 1965, when he was 45 years old, following the advice of his father-in-law, he started painting. In that field too he was successful, but more than anything it appears to have brought him personal satisfaction, judging from his remark, "When they gave me my first brushes and canvases, they also gave me the greatest blessing in life anyone could have asked for."



Abel Quezada, Cambridge Station.

The anguish of the blank page

Quezada began his day early in the morning, routinely spreading one or two newspapers on the table. Standing, he read headlines and waited for ideas to come. When they didn't he started the day off with aching bones. This is how he described it: "Pain is physical and I suffer when I have no ideas... I remain doubled up, defeated there at the table, with a blank sheet of paper in front of me and my head in my hands... I feel empty from top to toe and the pain crushes me, wounds me, tortures me... But finally an idea comes into my head. It may come from an inner spark or a friend's



conversation or from the wind... Putting the idea into text with a sketch is not the problem.

The hand moves on its own, as if it followed a line already drawn on the paper. It is the breaking out of the tunnel into the light.

Ever since the age of fifteen he managed to publish cartoons on a permanent basis in newspapers. In 1956 he was hired by one of the biggest papers in Mexico, and the characters he invented soon became popular. On October 3, 1968, the day after the student movement was put down, in which many were killed in Tlatelolco, Quezada covered the whole space reserved for his cartoon in black ink, with the title: "Why?"

For more than five decades Quezada portrayed politicians, businessmen, society ladies, intellectuals, ecologists, policemen,

sportsmen, soldiers, peasants, communists, capitalists and scientists. His peasants and his newspapermen are so thin and starving that they have to be held up by sticks.

Quezada forayed into the advertising world in the United States and won an international prize for a comic strip advertising a toothpaste. Years later he designed the front cover of *The New Yorker* (1981) and, later on, collaborated with *The New York Times*, *Time* and other publications in Japan, England and Spain.

In 1975 he won the Mexican Press Club's Prize and in 1980, the National Press Award. In 1989 he decided to say good-bye to cartoons with a series of comic strips that were published simultaneously in all the newspapers in Mexico.



Abel Quezada, Young Yucatecan Girl with a Slight Physical Defect.

Color and humor

Twenty years after he took up painting, he exhibited for the first time. In 1984 the Tamayo Museum organized an exhibition of his newspaper work, with two of his oil paintings. The exhibit broke all previous attendance records. Each time Quezada visited the exhibit, he stood in line and paid the entrance fee.

The Museum of Modern Art in Mexico showed his oils in 1985 and

in 1990 he exhibited both at the Sforzesco Castle in Milan and the Nesle Gallery in Paris. As a painter he recognized that his art was influenced by Van Gogh, Gauguin and Modigliani.

While his family obtained all the pictures they asked him for or ordered, only a few of his friends managed to get pictures "on loan for 99 years", as is the case with Gabriel García Márquez, who finally managed to "extract" a picture from him almost 30 years after he had been promised it.

During his lifetime Quezada published: *Cartoons by Abel Quezada* (1958); *The Best of Impossible Worlds* (New York, 1962, Spanish version in 1963); *Images of Japan* (1963); *48 Thousand Kilometers in Line* (1973); *The Mexican and Other Problems* (1976); *Times Lost* (1979); *The Comedy of Art* (1985); *We, The Green Men* (1985); *A Life in Mexico* (1988); and *The Muse Hunter* (1989, an anthology of his paintings with a selection of 111 works, published in Italian, English and Spanish).

The anthology of his paintings is divided into seven subjects: "Ladies First"; "Couples"; "Landscapes and their Inhabitants"; "Military and Civilians"; "Sports and Sportsmen"; "Ports, Stations and Means of Transport"; "Furniture, Objects, Cigar Boxes and a Bit of Bullfighting".

In *The Muse Hunter*, Quezada did not leave out his great sense of humor. In addition to the titles of his works, 44 pictures also have texts in which



Abel Quezada, *Cyclists with Black Hats*.

he elaborates certain details he wants to stress. In the *Portrait of a Young Lady in Cuernavaca*, he wrote: "Altamira cave paintings illustrate that man began painting animals and women. I followed the same pattern in my own work. I painted animals and women, but soon left the animals out." He even seeks to make people participate with him. In *Young Yucatecan Girl with a Slight Physical Defect*, he challenges viewers to find the hidden defect.

Another sample of humor in his pictures can be seen in the way he signs his pictures. The signature (generally "AQ") may be right on a railroad track, on a sewer cover, branded on a horse, embroidered

on the handkerchief peeking out of a diner's jacket pocket, on the inside of a cigar box lid or on the back of a chair.

According to Quezada *Latinos are Lousy Lovers* (the title of one of his pictures) and dancing is a key element in the art of courting. In his picture *Rainbow Room* (in English in the original), he wrote: "Soft music in the moonlight. Love. Cheek to cheek. The pleasure principle."

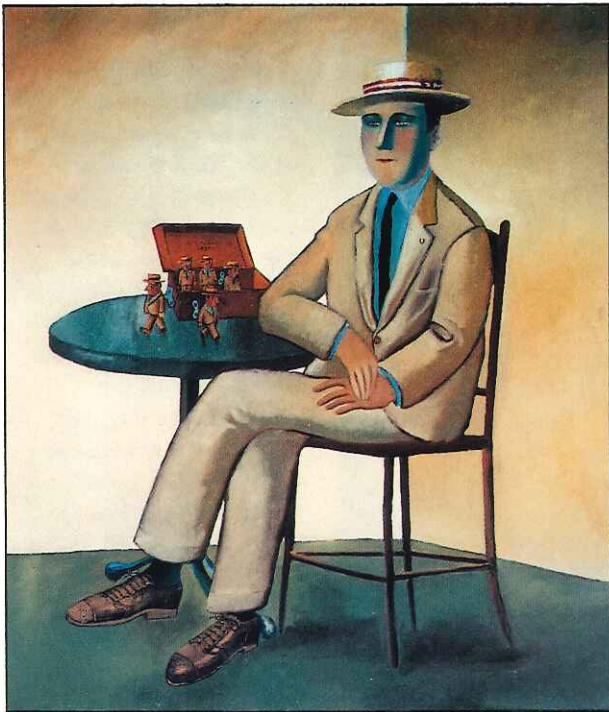
"We green men," he remarked, "suffer and enjoy working. As suffering becomes more acute, pleasure becomes more intense. Suffering is worthwhile. Something always comes of it. Sometimes something surprising, sometimes beautiful, sometimes okay but always new. And that is our mission in life: to make something new every day. My wealth is the ability to communicate

with all people, from the very poor to the president."

Tamayo, a visual artist

Rufino Tamayo is sometimes known as the solar artist since his work invariably includes a visible or invisible sun. Tamayo was, without a doubt, among those "chosen by the Gods of our ancestors," in particular the Sun God; until now he has received the highest degree of international recognition among Latin American artists.

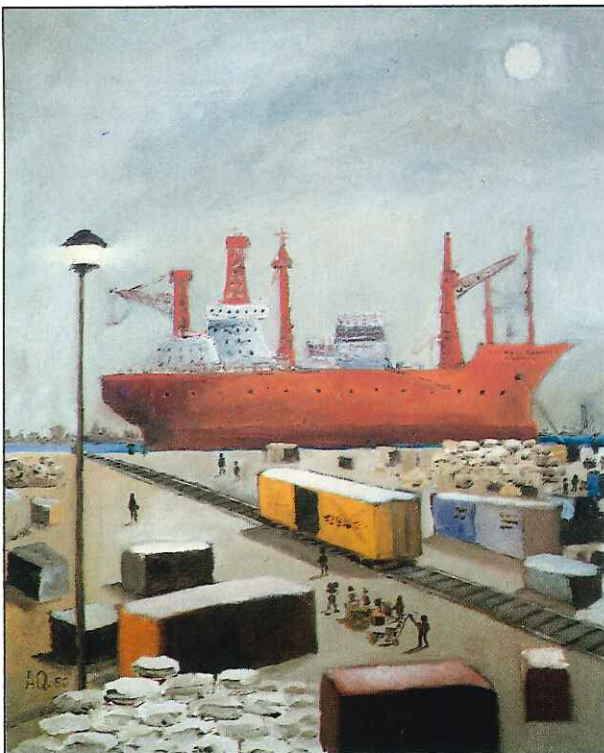
Tamayo defined art as the expression of absolute freedom: "I have faced two choices from the time I was very young: the beaten path and that of searching for myself



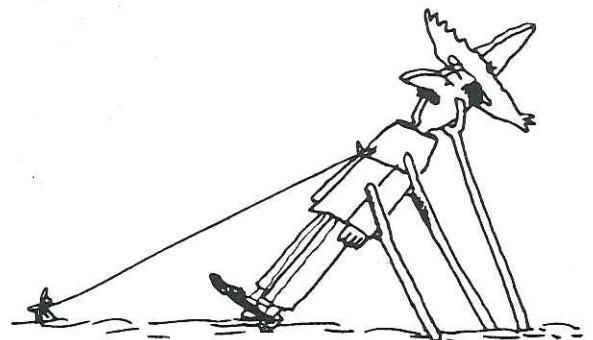
Abel Quezada, The Manipulator of Men.



Abel Quezada, Portrait of Bertha in Black.



Abel Quezada, The Great Red Cargo Ship.



on an unknown road, sometimes hard to reach and sometimes leading nowhere. I preferred to experiment, I was sure that the academic route, that of precise reproduction, was not the true nature of art. Art expresses essence not appearance.

"The way one captures essence varies with one's sensitivity, spirit and work. Many get lost on the way. However, the expectation of new creation is worth taking a risk. To risk itself means freedom. I am not satisfied unless I go beyond, farther and farther. Art is open, with an unlimited perspective, open to ongoing experimentation.



Rufino Tamayo, Cow Swatting Flies, 1951.

"The world of the artist is frequently invoked. I believe that world belongs to us all, abstracted from reality, although it may have been sensed and revealed for the first time by an artist. We create worlds that will never be more than metaphors of reality. Metaphors, not reflections or copies.

"Although art has tried to represent the ideologies of various social classes throughout history, it has not found its sustenance, that which keeps it alive, in ideologies. Political and religious passions pass without having been the subject of a painting, but the artist's lines, forms and colors survive.

"A work of art is not judged by subject or ideas, but its quality and

ability to create poetic order. When viewers appreciate pretty colors, communication is established between them and the work of art, as well as with the artist. Art reaches the senses, without reasoning. This is the reason that it is interesting to listen to 'the people' when they talk about art; simple people don't rationalize, they feel."

Tamayo saw art as the instrument to counteract dehumanization, "I must say, not without a deep sense of disenchantment, that the many changes brought on by science and technology this century, especially during the latter half, have led to a recognizable

process of dehumanization. Man, surrounded increasingly by more machines and mechanical instruments, has gradually turned his life into mechanical activity.

"Often, many forget the opposite vision: considering machines as extensions of

people's capacities. A new type of people is developing, one ruled by technology, obsessed with things, anxious to be at the forefront of innovation, but with a poor understanding of well-being.

"Art must reflect the changes that come with scientific and technological development. The process of evolution keeps moving, especially the evolution of people and their problems. Thus, art becomes an essential complementary ingredient that balances a civilization where humanism can find a niche. Artists become witnesses by balancing the subjective and the objective. Thus, the artist, like any other citizen, should participate actively in

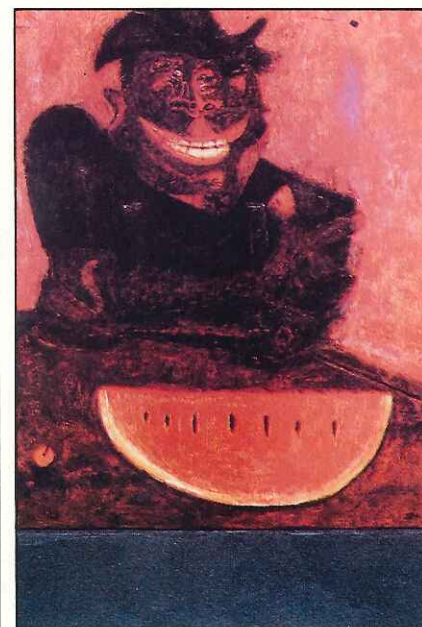
developing the surrounding community."

A cultural laborer

Rufino Tamayo was born in Oaxaca on the 26 of August, 1899, and died in June, at the age of ninety one, after a bout with pneumonia.

Tamayo dropped his paternal name, Arellanes, and used only his mother's maiden name as his own, "I have no reason to use the name of one who I did not know and to whom I owe nothing."

Tamayo was brought up and cared for solely by his mother. When he was eight years old, his mother died and his aunt took over. They lived in Oaxaca until he was eleven, when his aunt left Oaxaca to start a fruit business in Mexico City.



Rufino Tamayo, Watermelon Eater, 1949.

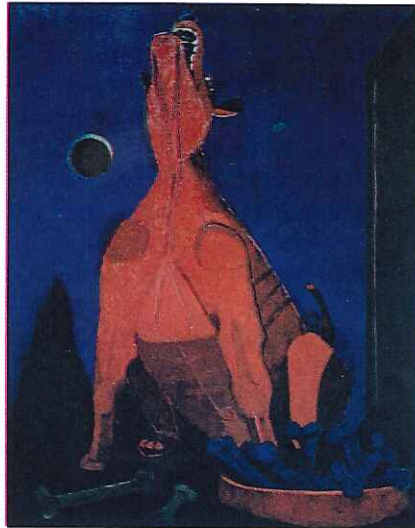
This period influenced Tamayo's work deeply, "It may be that it was then I saw the fruit that I paint today," he said, "I was fascinated by form and color."

Tamayo enrolled at the National School of Arts at the age of eighteen, and left three years later, discouraged by the European system of drawing a

model and having a professor correct his work. Feeling misunderstood and left out, Tamayo took the funds from the first art he sold and travelled to New York in 1926.

Tamayo worked and travelled back and forth exhibiting both in New York and in Mexico. In 1934 he married Olga, whom he charged with managing their practical and social life.

New York recognized his talent. "It was there that I really got into my work and understood the true meaning of art. When I took Olga the first thing I did was to show her the art world of West 57th Street. This is where the best galleries are, I told her, and I promise you that one day you will see my work exhibited in these galleries. I kept my promise. I knew I could, I always believed in my own work."



Rufino Tamayo, Dog Barking at the Moon.

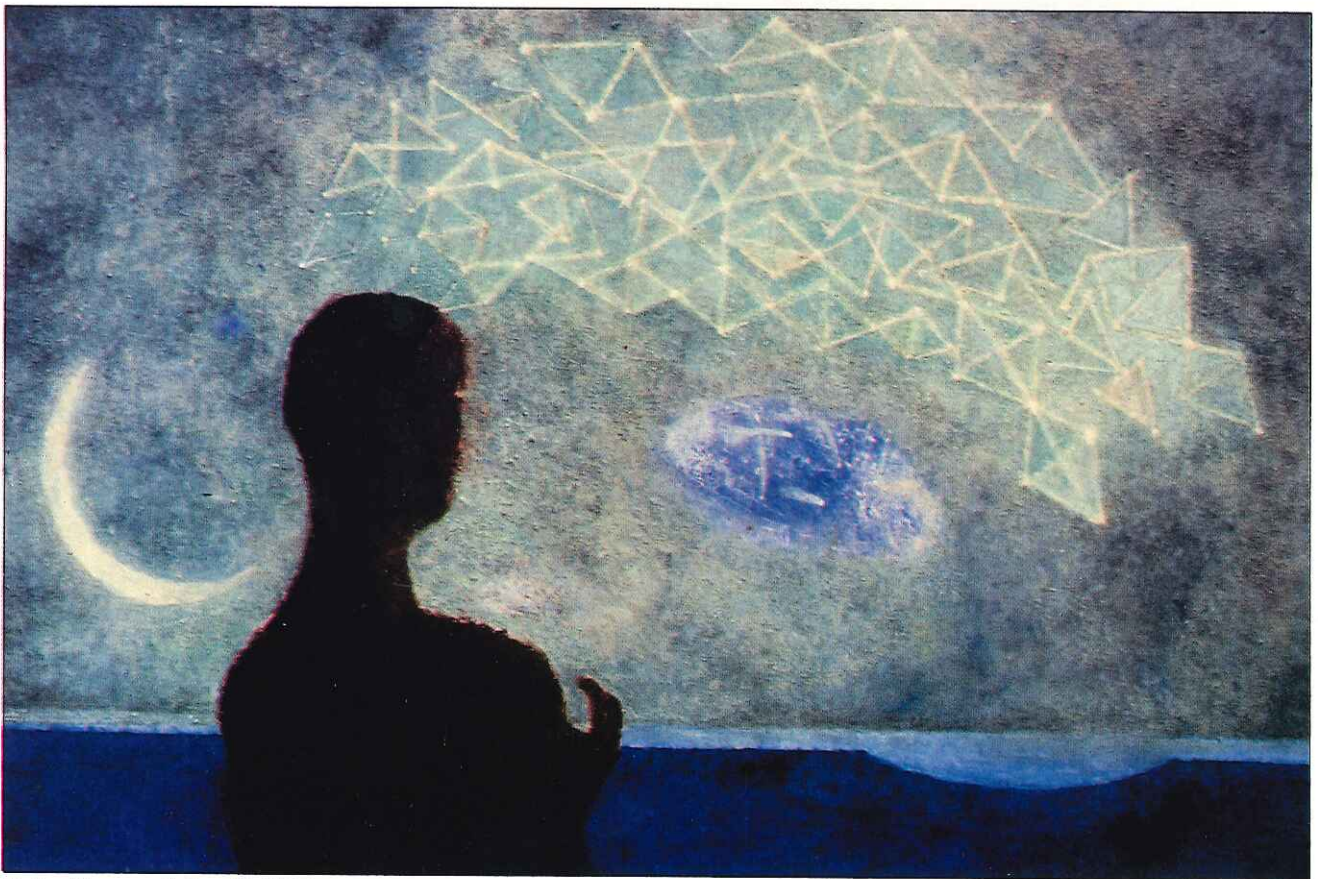
By 1935 Tamayo had built up a clientele of collectors in the United States (New York, Washington, San Francisco, Philadelphia, Cleveland,

Nebraska and Milwaukee), although this did not translate into economic success. Twenty years later he would regret that his work was more widely recognized abroad than in Mexico. He identified himself as a cultural laborer because, he said, he worked eight hours a day and didn't waste any time talking with friends about this or that artistic theory.

The Tamayo polemic

The Valentine Gallery in New York gave Tamayo his first one man show in 1939. The critics wrote: "Tamayo is the only Mexican painter today who is on his way. He paints as an artist, not as a politician." His Mexican colleagues criticized him for his popularity abroad.

In 1947 Tamayo launched an open attack on three of his colleagues. He said: "Mexican art has been in a



Rufino Tamayo, Galaxy II, 1982.

sorry state of decline for some time. Diego Rivera has not done anything worthwhile since [his murals in the chapel of] Chapingo. Orozco has gone down drastically in the last few years after what he had done. As far as Siqueiros goes, he's always done the same thing. Mexican art, initiated twenty years ago, was vibrant and revolutionary. Today all it does is

period many of Tamayo's former detractors repented and his work enjoyed increasing acceptance at home.

A flood of recognition

Mexico first recognized Tamayo's work in 1948 with a twenty-year Retrospective Exhibit at the Palace of Fine Arts.



Rufino Tamayo, Bird Hunter, 1950-51.

repeat itself." A long controversy, known as the "Tamayo polemic" ensued, each side supported by different intellectuals.

Twenty seven years later, Tamayo would say, "I consider Diego, Siqueiros and Orozco's work important. Before the revolutionary movement, Mexico's art was colonial. We could say we were under the influence of Paris. At that time, it was necessary and healthy for us, in support of our nationalism. However, they chose to be a bit too radical."

By 1960 Tamayo acknowledged his admiration for a new generation of Mexican painters (Pedro Coronel, Gironella, Felguérez and Lilia Carrillo) which had finally broken away from the old notion of a single school of Mexican painting." A liberation movement has sprung up." In this

The Galerie Beaux-Arts in Paris gave Tamayo a one man show in 1950. He returned to Mexico the following year, after living in Europe for almost two years, and said: "My stay in Europe did nothing more than reaffirm the Mexican nature of my work."

In 1954 Mexico mounted a large Tamayo exhibit officially recognizing the artist in honor of his receiving the International Prize from the Sao Paulo Biennial. The French government decorated Tamayo with the *Legion of Honor* three years later. The Palace of Fine Arts' exhibit honored "Fifty Years of Rufino Tamayo's Art" at the end of 1967. The following year, the *Esposizione Biennale Internazionale di Arte di Venezia* in Italy honored Tamayo with a special exhibit of 47 oils painted from 1955 to 1968.

Tamayo was showered with prizes, awards, honors and retrospective exhibits. The Italians decorated him in 1970; the French made him a *Commandeur des Arts et Lettres*. Oaxaca declared him "Favorite Son" in 1972 and Los Angeles honored him with a film, narrated by John Houston with music by Carlos Chávez and a presentation by Octavio Paz. Emily Genauer was awarded the Pulitzer Prize for her book on Rufino Tamayo, a first for an art critic.

Tamayo did not accept honors indiscriminately. In 1980 he refused the *Order of the Quetzal* awarded by the Government of Guatemala in protest against all dictatorial governments and as an act of solidarity with oppressed peoples.

Tamayo's success was also reflected by the prices his work brought at auctions. *Indian Woman* brought a record price of forty-seven thousand five hundred dollars at Sotheby's in 1978. *Boy with Watermelons* broke the record price for Latin American work in 1981, and



Rufino Tamayo, Total Eclipse, 1946.

The Smile sold for two hundred and fifty thousand dollars at Sotheby's, another record for Latin American art. By 1985 the figure rose to three



Rufino Tamayo, Eclipse, 1959.

hundred and thirty thousand at Sotheby's and last year *Women Singing* brought seven hundred and seventy thousand dollars at the Marlborough Gallery in New York.

Olga and Rufino Tamayo, a childless couple, have been generous with the people of Mexico. They donated their collection of more than one thousand pieces of Pre-Columbian art to the Museum of Pre-Columbian Art in Oaxaca. The Museum of Contemporary International Art that bears Rufino Tamayo's name, in Chapultepec Park in Mexico City, houses a large part of Tamayo's art collection including the work of artists such as Pablo Picasso. Tamayo built and funded the Olga Tamayo Home in the city of Cuernavaca and this year the city of Oaxaca received a Home

for the Aged named after and given by the Tamayos.

Patience and solitude

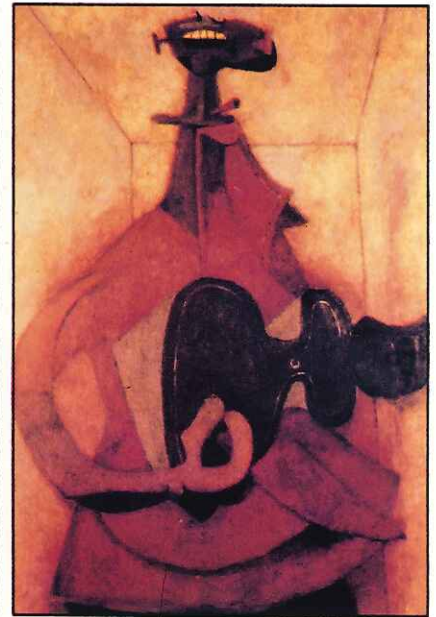
Rufino Tamayo built museums, donated a good part of his personal collection, built homes for the aged and promoted works that would benefit those who were most needy. At the age of eighty-eight, he considered himself a successful and fortunate artist, "I am lucky to be able to share my

economic wealth with my people."

At this time, he also said, "I am thankful for aloneness, since it is my best companion for creating. A few days ago I realized that I was old and that is why I don't want to travel as much, or receive so many homages. They only waste my time. What I want to do is paint; it is my personal mission. Life is, unfortunately, too short and very little can be done."

There is still work that we have not seen. Juan Carlos, King of Spain, has commissioned an art book with original lithographs and drawings by ten artists, among them Tamayo, as a gift for every Head of a Free State for the Quincentennial. Tamayo's work for the book is on the theme of the Declaration of Human Rights approved by the United Nations in 1949.

A month before his death, Tamayo was honored with a nomination to *El Colegio Nacional*. The following is taken from his speech, which might be considered his last public words: "I believe in craft, in the patient cultivation of a technique, but I also believe that art is a form of happiness, an instrument in life and a daily



Rufino Tamayo, Singing Man, 1950.

activity such as walking or eating. It takes place in freedom since it is a way of knowing, understanding. The universal aspiration and its unlimited ability to communicate and relate to everything human is confirmed today with this ceremony that welcomes me as part of the highest community of knowledge in Mexico "M

Marybel Toro Gayol

Managing Editor.

Permanent Forum for Latin American Affairs

José Sarukhán*

THE ESTABLISHMENT of the *Cátedra de América Latina* (Permanent Forum for Latin American Affairs) provides us with a new opportunity to consider the significance of Latin American unity. However, the first thing that comes to mind is this well-worn critique: given the political and economic dispersion of the continent, integration is mere rhetoric. But this is not accurate. Nonetheless, if we were to imagine it were accurate, we would need to examine the logic underlying the objection that has been raised since the times of Simón Bolívar.

Undeniably, integration is a dream. I would even say a need that the Latin American spirit has energetically pursued from the very depths of its soul. It could also be called a profound utopian aspiration. This brings to mind the Argentinian, Dominican and Mexican, Pedro Henríquez-Ureña, who said, "We must put spiritual values back into utopia. Make the effort so that social reform and economic justice do not become the end of our goal. Strive to stop economic tyranny while being consistent with complete freedom. Be people," he added, "open to the four spiritual winds."

The utopian spirit contrasts with the skepticism and bitterness brought on by serious problems throughout the history of our countries. Bolívar not only talked about utopian spiritualism but also mentioned that regenerating Latin America was like plowing the

sea. Skepticism and the impulse towards utopia are the two strongest alternating moods in our history. José Martí, a Cuban, synthesized these currents when he said, "The sea is productive."

Henríquez-Ureña is correct in not limiting the concept of America to economic factors but stressing humanistic elements. True, a person's potential declines significantly when basic needs cannot be satisfied. However, the experiences of large industrialized countries, i.e. consumer societies, illustrate that an abundance

of material things does not necessarily meet people's search for the meaning of life. This meaning can be identified as a spiritual activity. This is why we feel that it is important for integration to take place at this time within an academic setting.

Latin America or Ibero-America, whichever we choose to call it such that it includes all our countries, is an immense continent with a variety of social and economic realities, needs and people, some of them quite isolated. It is also true that the unification of our America might not

Nineteen countries formed the Cátedra de América Latina (Permanent Forum for Latin American Affairs) at the National University of Mexico, UNAM, last fall. José Sarukhán, Rector of the UNAM, addressed the inaugural ceremony. The Forum will strive to promote the interchange of cultural, educational, scientific and historical values common to our region. The participating countries are Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Paraguay, Peru, the Dominican Republic, Uruguay and Venezuela.

* Rector of the National University of Mexico.

be considered to be in the best interests of foreign powers. Thus, many elements make unification difficult. There is, however, a clear and undeniable deeply-rooted unity at the very core of the Latin American character. It is this shared culture that we must take into account; creating a Permanent Forum for Latin American Affairs must be considered a landmark in the process.

Latin American philosophy contemplates a specific issue: many of us exist thinking that we are someone else, i.e. without full consciousness of our own identity or with an imposed and alienated identity. Self-knowledge, however, has become critical in recent years.

We must know who we are, even if that self-image which reflects our qualities and shortcomings does not match the foreign archetype. We cannot initiate a process of integration without an accurate image of our own reality. Further, evaluating our own reality must be accomplished by using our own values. Let me pursue and reflect on what we could find.

First, we'll find immense diversity within our common heritage, which is not negative, but rather a positive source of enrichment. A truly productive way of defining integration would be: uniting differences without forfeiting specific individual traits.

Countries with Pre-Hispanic roots must integrate those roots into their cultures and identify their role in our *mestizo* (the cultural and physical mixture of the native Mexican and the Spaniard) environment. This includes exploring what Luis Villoro identifies as the "symbolic role of the native world." At the same time, concern with our indigenous past cannot outshine the contemporary Indian. Today's Indian community deals with a reality that reflects problems facing most of Latin America's rural farm population. These make for good reasons why the Indian communities

have become symbols of revolution and protest.

Afro-Latino culture also needs to be considered. Gilberto Freyre, the Brazilian anthropologist, lucidly warned us not to confuse today's Afro-Latino culture with the slave culture of the nineteen thirties. The Africans were uprooted from their homes and dropped into slavery, where their communities could not help but reflect the limitations on what they could do or create. They would have to struggle for centuries before beginning to fully realize their potential.



The Cuban poet Roberto Fernández-Retamar wrote a magnificent essay on the way Latin American cultures perceive Blacks struggling for freedom. He honors Calibán, a man created to symbolize the people plunged into slavery. Calibán is identified as a mute, since he does not speak the language of the master, the colonizer.

Now we can combine this with yet another aspect, that of finding our place within Western Civilization. Are we newcomers, less "western" because of the Indian and Afro, or are we a people with a history who have contributed greatly and are therefore entitled to being considered in the same cultural realm as more homogeneous western cultures? Is our continent a dependent one? Are we

a group of nations locked into a permanent struggle for independence?

Our place in Western Civilization can be looked at through an infinite number of approaches, each requiring precise analysis as well as the firm will not to be influenced by prejudice. Thus, the *Cátedra de América Latina* offers unlimited opportunities. It is also sufficiently alluring and vital to attract the attention of scholars and the general public.

It is appropriate and timely to emphasize the Latin American nature of the National University of Mexico. Our emblem represents the confirmation that the modern phase of the UNAM originated with the objectives expressed by José Vasconcelos, one of the first rectors: develop an Ibero-American version of Universal Culture, not just European Cultures. The murals on our walls reveal those ideas. They are permanent symbols of culture depicted with Mexican images.

Both Vasconcelos and Justo Sierra, who established the University, knew that the only way to make culture truly universal, to prevent knowledge from becoming exclusively scholarship, and convert the UNAM into a way of life, was to give it local substance and color.

At the UNAM we have always felt that there was no need to limit ourselves by shallow nationalism. Nationalism is valid only as a limited means of self-knowledge and as a shield against imperial designs. Self-knowledge on its own is not enough, it must be within the entire cultural context. A universal view is the only way to develop suitable attitudes. I therefore believe that this Permanent Forum for Latin American Affairs must establish truly broad horizons so that what we call "American" will develop into a contribution to universal culture ✎

Leopoldo Zea spoke at the Permanent Forum for Latin American Affairs' inaugural ceremony. Referring to the changes in contemporary history after World War II, he stressed the need for Latin America to unite and become part of the world-wide trend of forming large territorial blocs which, united, strive towards economic, technological, cultural and military coordination.

ON SEPTEMBER 6, 1815, Simón Bolívar wrote a letter from Kingston, Jamaica, where he was living in exile, that could be considered the "birth certificate of America". In it he imagined a continent, with three centuries of colonialism in common, that could unite in the pursuit of freedom. The letter says, "It is a grandiose idea to create one nation in the New World - united within and facing the outside world with a single voice."

He was obviously not referring to Washington's Pan American integration effort, a hundred years ago. Bolívar's focus was to unite the Latin American people first, then move to include the American continent as a whole and then the world. It was in this vein that he went on to say, "We have the same heritage, language, customs and religion. We should, therefore, have one government to confederate the states to be formed."

Bolívar said elsewhere, "As time goes by, hundreds of years, we would have a nation that incorporated the entire world, a federal one." Although these words were expressed one hundred and sixty-five years ago, the goal of uniting America freely remains a utopian dream for the future. There have been many attempts in the political arena, and now in the economic one. Long ago, Bolívar said: "Several factors, such as conflicting interests and dissimilar personalities divide America."

Latin America: a voice or an echo?

*Leopoldo Zea**

Our times emphasize the challenge we face as a region to make the utopian dream come true. Europe, divided by languages, cultures, religious faiths, personalities and interests, that have been the sources of mortal blows in the past, is coming together to face common goals. This integration will go beyond Western Europe, it will include Eastern Europe and with it Russia -one domain from the Atlantic to the Ural mountains.

The same phenomenon is occurring in Asia, as a united Pacific Rim is formed by different nations. Black Africa unites peoples who do not want to be objects of discrimination, discrimination which in the past has justified inhuman exploitation. Divided Arab nations in the Persian Gulf face a similar crisis. These countries, previously united by religion, now seek integration to break the chain of colonial domination.

The crises generated by the process of forming blocs reaffirms our need in Latin America to make the old dream of uniting come true. Facing a world of economic blocs, our governments eagerly seek formulas for fitting into these groups as independent nations. There are several options. Which would be the best for Latin America? For each separate country? Would it be joining the United States, now turning south to us as she is displaced from Europe and Asia by recent regional blocs? Would the best option be joining the Europeans? The Pacific Rim? After all, we do have oceans in common with both blocs. Should each country decide independently?

Long ago, when the Latin American people were fighting for their independence from three hundred years of Spanish and Portuguese control, the German

* Coordinator of the *Cátedra de América Latina* (Permanent Forum for Latin American Affairs).

philosopher Hegel wrote, "America is the future. Its historical importance is yet to come, perhaps as a struggle between North and South America." He added that in order for this to take place, "... America must separate from the world in which, until today, history has been shaped. What occurs there now is nothing but an echo of the old world and a reflection of a foreign life."

Our America, primarily Latin America, has routinely sought a tree's shade to hide under, or a voice to echo. Today, an analogous problem occurs when alternatives are mentioned. Which would be our best option, the United States, Europe, Asia? That is, which tree's shade shall we seek for the future? Whose voice do we want to echo? In other words,

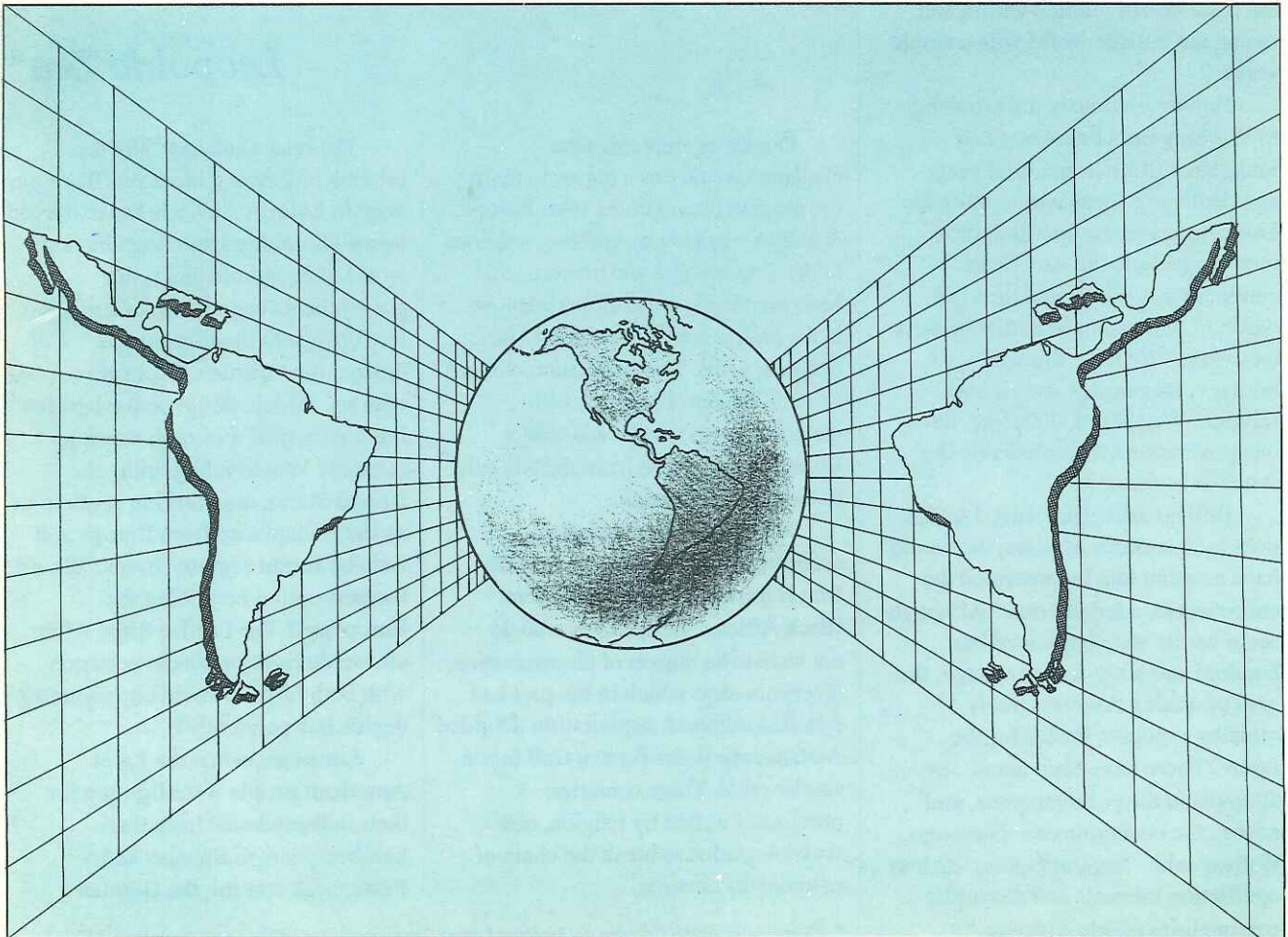
we are talking about the best choices for new colonialism. The options will only be correct, if they meet the region's specific needs, which means fulfilling its own needs, not those of the owners of trees and voices.

Priority must be given to the alternative that will allow our America to make the old dream of unification come true. Our region, as a whole, has enough resources to implement our own development. We also have enough hands to work collectively toward converting this wealth into the vehicle for our own development.

Do we need technology? Of course we do, but we can buy it with the resources we generate. What about markets? We have our very own people, the same market that the

United States seeks after having been displaced from Europe and Asia. Why, then, not attempt that integration before pursuing other choices that could simply mean subordination to new dependence models? Moreover, choosing to integrate into a specific bloc should take place with the benefits for this America in mind, rather than placing America at the service of those offering options.

Latin American integration projects have failed in the past due to dissimilar political and economic interests among countries. However, Europe is now demonstrating that a variety of interests does not necessarily have to be a barrier against uniting behind a common goal. Education and culture have been



Latin America must decide whether to be a voice or an echo.

mentioned as the most appropriate vehicles for integration ever since independence. This is the reason that political liberation leaders have been followed by intellectual emancipation leaders. Freedom attained with weapons had to be followed by mental processes to eliminate the habits imposed by colonialism during three centuries.

A great deal of reflection is now being focused on what might have been the path of our America had the leaders who followed Bolívar, San Martín and Morelos, understood, as those original leaders did, the relationship between the freedom of each country and that of the other countries on the American continent. America would have been a different place if the Paezes, Santanders, Flores and Santa Cruzes had understood and implemented Bolívar's plan.

Unfortunately, they all maintained the customs imposed by the colonizer's education and culture. The policy was to implement separate projects and thereby protect their own interests. Those who led the peoples of America to political independence attempted to fill the power "void" created by the lack of a Metropolis, thereby preserving established patterns of separation.

Today, we feel that the situation could be modified, following the same habits and the customs which originally hindered integration. The countries of the American continent were, after all, "integrated" under colonialism. The day that every child, young person and adult is aware of what we have in common with others in Latin America, such as our history and culture, will be the day that the dream of unification will become reality.


Today it is this preoccupation that brought together representatives from Latin American countries on their own initiative to join in an effort to apply education and culture, and create an awareness of the relationship between each one of our peoples and the rest of the continent.

This is the purpose behind the Permanent Forum for Latin American Affairs: to focus on stimulating, supporting and promoting parallel activities in Mexico as well as in the other countries represented. I want to take this opportunity to express my appreciation and honor at having been made a part of this remarkable effort for regional integration.

We have assembled, under the patronage of the *Universidad*

Nacional Autónoma de México, UNAM (National University of Mexico), an educational and cultural institution involved with integrating academic work being carried out on different Latin American countries. Further, we work in an amphitheater named after Bolívar, a hall which has witnessed several times events focused on stimulating the integration of our region.

This University represents its commitment to Latin America within its coat of arms: in the center the profile of the region; and the logo, one that reflects a race of many races, which is not a race, but a spirit. The spirit that brings people and nations together without discrimination.

UNAM actively works to provide information about the region in which Mexico finds itself. It promotes activities which increase awareness of our common cultural and historical roots without neglecting the expression of each country's individuality. We are conscious that we can make the dreams of our political and intellectual emancipators come true in the near future. 

Latin America and the world towards the year 2000

*Miguel de la Madrid**

The lost decade

For Latin America, the 1980's were a decade with a double meaning: the worst crisis the region had experienced in recent years (people speak of the *lost decade* because of the drastic drop in standards of living and the decline of many of the economic structures) and a structural reorganization of Latin America's economies, societies and states.

The *lost decade* was also one of reform, with the resurgence of democracy in some countries and the beginning of stabilization and adjustment policies, which created new groundwork for other, later phases of development.

Although adjustment policies and structural change are underway, their results vary from country to country; the effort made has yet to show the positive results corresponding to its magnitude. Meanwhile, international conditions have hindered the region's economic progress rather than helping it.

To change this adverse environment into one that favors development, more cooperation from the industrialized countries is needed, since they are Latin America's main creditors and trade partners, as well as the main source of advanced technology and capital resources.

* Former President of Mexico.

This is a shortened version of an address delivered by former President Miguel de la Madrid at the Conference on the Opportunities for Canada and Latin America of May 6th 1991, at the University of Calgary, Alberta, Canada. After speaking about Latin America's "lost decade" -the 1980's- he goes on to suggest what is needed now and in the year 2000.

Until the later 1970's, Latin America was a region of accelerated growth, based on a development model that maintained high rates of investment, fueled by state intervention, protected industrialization, wide availability of external resources and a favorable exchange rate. This made it possible to improve infrastructure, expand economic activity and exports, create more jobs and raise the general standard of living. We saw accelerated urbanization, a broadening of the middle classes and unequal distribution of development and income.

State intervention in the economy was useful for creating and sustaining new economic activities.

However, it meant an over-centralization, leading to inefficiency, stagnation, budget deficits and macro-economic imbalance. Protection raised the social cost of industrial development.

Foreign loans played an important role in economic progress, but they soon exceeded manageable limits and made negative trends still worse. Terms of trade which were positive for decades were finally reserved only for manufactured goods, principally affecting raw materials, Latin America's main exports.

Thus, by the end of the 1970's, the industrialization and growth pattern which had produced a rate of expansion of about 6% annually ever

since 1950 was exhausted, a dilemma further complicated by the negative economic environment characterized by weakened exchange rates and the shrinking of markets. This meant

accordance with the logic of the money markets and interest rate subsidies were gradually eliminated to encourage greater competition in credit markets.

reduce the role of the state in the economy and stimulate the private sector as the driving force for growth.

During the 1980's the Latin American economies had very sluggish growth rates of 1.2% annually, in comparison with 5.8% in 1960-1980. At the same time, population grew at an annual average of 2.2%, driving per capita income down more than 10% to its 1977 level.

Real available income experienced a 20% drop in terms of foreign exchange from 1980 to 1989.

“Adjustment and stabilization policies, followed by structural reform”

fewer possibilities of fresh loans. The international financial markets hiked the cost of credit and then halted the flow of resources to the region, plunging it into the debt crisis.

Therefore Latin America entered the 1980's with great domestic and external imbalances; enormous deficits in foreign trade, current account and public finances. Investment dropped, unemployment rose, inflation accelerated, private capital was invested abroad, resources dried up and the servicing of the debt became a huge burden.

The governments of the region drew up adjustment and stabilization policies. Fiscal, monetary and exchange rate measures later led to broader structural change and search for new forms of industrial development and a redefinition of the state's role in the economy.

Imports were restricted and the production of export goods was encouraged. Tariff reforms helped to eliminate quotas and non-tariff barriers. Drastic cuts in the exchange rates helped to turn trade deficits into surpluses.

The public sector made substantial cuts in its investment and current spending, state-owned assets were sold off to the private sector, prices of public services were raised and subsidies slashed in order to reduce the budget deficits.

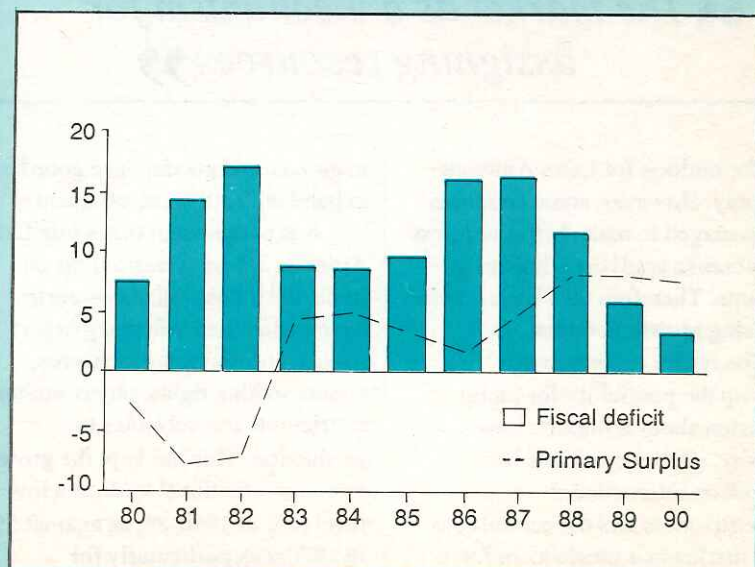
Tax reform brought the system into line with the inflationary processes and made tax evasion more difficult. Exchange rates were set in

The aim of these reforms was to stress competitiveness, enhance the role of the market as a mechanism for assigning resources,

Looking at the overall deficit reduction, visible progress was made in 1983 and 1984, but a setback occurred in 1985 due, in part, to unexpected outlays to repair the damage inflicted on Mexico City by the earthquake that hit the country in September. In 1986, further complications arose as a result of the collapse of oil prices in international markets. Together these circumstances produced a loss of hard currency income, equivalent to Mexico's entire agricultural output, and a devastating cutback in oil-related public revenues. Full budgetary control was finally regained in 1988, with the deficit falling to a level 3.5% of GDP by 1990, the lowest level since 1971.

Source: MEXICO: AN ECONOMY ON THE MOVE
Department of Economic Studies
BANAMEX (Banco Nacional de México).

Fiscal deficit and primary surplus
(as a percentage of GDP)



Transfers of funds abroad for the servicing of the debt represented a drain of about 4% of the region's annual global trade.

There was also a severe drop in capital formation. Investment fell from 24% of the gross product in the last half of the 1970's to 16% in 1983-1989.

Many countries are now facing the growing obsolescence of their production plant, decline in physical infrastructure and average standards of well-being.

Real per capita income was negative in 19 out of the 25 Latin American countries in 1981-1989. Structural imbalances and inequality in income distribution worsened and the real minimum wage dropped from an index of 100 in 1980 to 75 in 1989. Thus the number of people living below the poverty line rose to 164 million in 1986 (38% of households, whereas the 1980 figure was 112 million, or 35% of families).

This poverty has not yet been reflected in the basic indicators (life expectancy, illiteracy and infant mortality) because these repercussions always lag behind.

The progress in reducing the burden of Mexico's external debt measured as a ratio to GDP can be closely matched with the behavior described for the fiscal deficit: a gradual reduction from 1983 to 1985, with a major setback in 1986 explained by a deterioration of our terms of trade and a sharp reduction in output. Debt reduction was resumed in 1987 and culminated with the agreement reached between the Mexican government and its foreign commercial creditors in February 1989: the accord amounts to a total of 48.5 billion dollars and entails a relief of the country's external debt equivalent to 15% of the total amount in today's dollars, and additional financing for 1.5 billion to be disbursed between 1990 and 1992. The payment schedule of all credits covered by the agreement has been extended over a period ending by the year 2019. Between 1982 and 1990 the value of the country's external debt at constant dollars dropped 53%.

Source: MEXICO: AN ECONOMY ON THE MOVE
Department of Economic Studies
BANAMEX (Banco Nacional de México).

Changes around the world

Throughout the last decade, the international context was unfavorable for Latin America and this remains one of the main obstacles for the recovery of growth.

Relationships between the great powers made for instability and uncertainty about the behavior of the world economy. Imports, with different rates for primary and

from the developing countries which encounter greater trade barriers.

Latin America needs to incorporate more technology into its exports. However, this requires a more favorable attitude on the part of the industrialized countries.

In the sphere of capital movement there is still instability of foreign exchange in the industrialized countries which, with varying rates for the dollar, alters the competitiveness of our exports.

The development of international liquidity fluctuates widely and private and transnational agents do not always respond to development needs, and even less to those of the developing countries.

The fact that the United States is the main debtor nation and the center for direct investment tends to keep interest rates high. The servicing of the debt is therefore more burdensome and discourages investment. The region has become a net exporter of capital since 1982.

Likewise the flow of capital to the region has fallen. Latin America's share in direct investment has dropped substantially since the

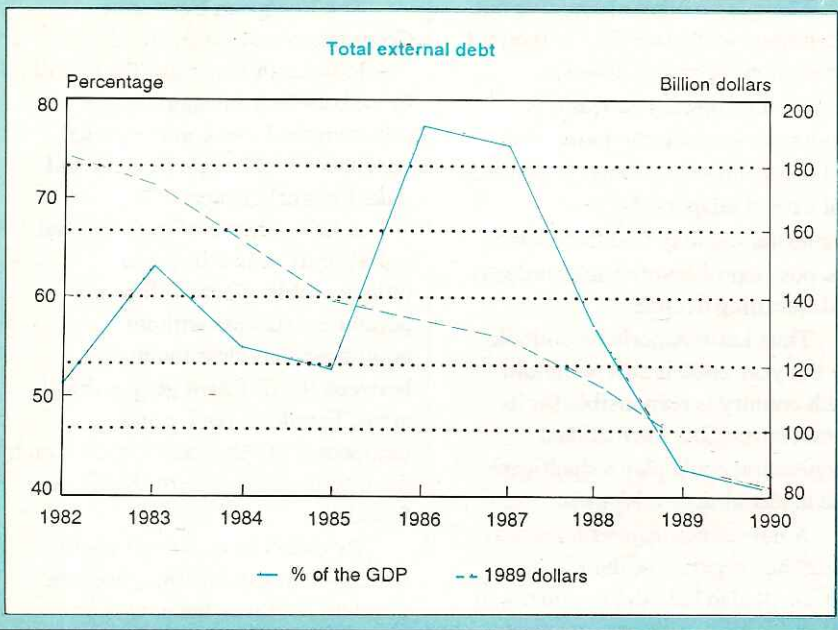
“The market as a mechanism for assigning resources”

The outlook for Latin America is gloomy. However, some countries have managed to make better progress than others in applying adjustment programs. Therefore they have a more promising growth potential.

The return to democracy opens up the possibility for plural discussion about economic issues. Likewise, greater emphasis has been put on international competitiveness and the central role of the market as a mechanism for assigning funds.

manufactured goods, have gone hand in hand with stiff protectionism.

It is paradoxical that while Latin America is easing restrictions on trade, the industrialized countries have maintained voluntary export quotas, anti-dumping measures, countervailing rights, phyto-sanitary restrictions and subsidies to production. This has kept the growth rate of international trade at a low level (3% in 1980-86, as against 5% in 1970-79), particularly for agricultural and manufactured goods



beginning of the debt crisis (5.3% in 1986-87 in comparison with 12.5% in 1977-81). Nevertheless, recent developments might either reinforce or counteract such tendencies.

A new technological model, centered on micro-electronics and information, must become a driving economic force, but this requires new forms of labor planning and new conditions for production. In this sense, it may be both a threat and an opportunity for Latin America.

administrative efficiency, while progress in bio-technology opens up a wide range of new horizons. Technological progress is a double-edged weapon for Latin America, as is the end of the cold war and the regionalization of markets.

The end of the East-West conflict has some positive aspects. Discussion may now take place within a framework of political options and no longer be subject to bi-polar tensions. An eventual cut in military spending

or whether it continues the trend toward relatively isolated economic blocs. The Pacific Rim countries, especially Japan, will also be an important element for aiding or preventing Latin American recovery.

Finally, regionalization and increased competitiveness may enhance Latin America's relative economic importance. However, there remains much uncertainty, and the outcome of external processes will be fundamental in determining how we fare.

Perspectives and needs

The economic recovery of Latin America is still uncertain since our international adjustment efforts remain insufficient and the conditions that gave rise to the crisis are still with us.

For domestic reasons, the region must recover its growth; the world economy too could become more stable and dynamic if Latin America were able to make its contribution.

In 1989 the region's population totalled 422 million (8.75% of the world's population); with an annual growth rate of 1.8% it is projected that by the year 2000 there will be 514 million, twice the number of people in the European Economic Community.

In 1980 Latin America's share in the world product was 7%; due to the crisis this had dropped to under 5% by 1988. Latin American imports and exports accounted for 6% of world trade in 1980, dropping to 3.9% and 3.3% respectively in 1988.

The foreign debt problem calls for an urgent and effective solution. In 1982-1990, Latin America transferred more than \$240 billion abroad; in 1990 it had run up a backlog of \$11 billion. This cannot continue; adjustment policies are reaching their limit. We need measures to cut the cost of the foreign debt or there will be increasing delays

“164 million people living below the poverty line”

First, a threat to our present comparative advantages, as automation does away with manual labor. Secondly, because new uses for raw materials and the development of new ones affect the volume and price of our exports.

However, increased flexibility of labor offers new opportunities for boosting efficiency and competitiveness and for overcoming the limitations of the domestic market. Computers, in particular, make for more

might free resources for the development of Latin America. On the other hand, a world order based on U.S. military supremacy and the multi-polar division of economic power increases the likelihood of greater U.S. hegemony in the hemisphere, offset perhaps by increased interest in the region's economic recovery.

The attitude of a unified Europe will determine whether its markets open up to trade with Latin America,

in payment and our countries will no longer be considered credit-worthy.

A reduction in the debt would enable our governments to ease pressure on public finances and control inflation. This would be a more consistent step toward structural change and would put the region back on the path to economic recovery.

There is a need for meaningful changes in the world economy with regard to easing protectionist tendencies, liberalizing trade and renewing flows of productive investment and transfer of technology.

This need for positive changes does not exempt the Latin American nations from proceeding with their adjustment programs and structural reforms. Recent experiences have differed widely from country to country. Unfortunately only a few of them have made substantial progress, while most of them have had to cope with hyperinflation, economic stagnation and deterioration in their social development. The economic crisis is still with us and increases the risk of political instability.

There is no other alternative but to continue with our effort to reorient our economies and undertake structural reforms. The world is heading toward a more integrated and competitive economy. Countries that cannot adapt to the new circumstances may find themselves in a position of severe backwardness and spiralling decline.

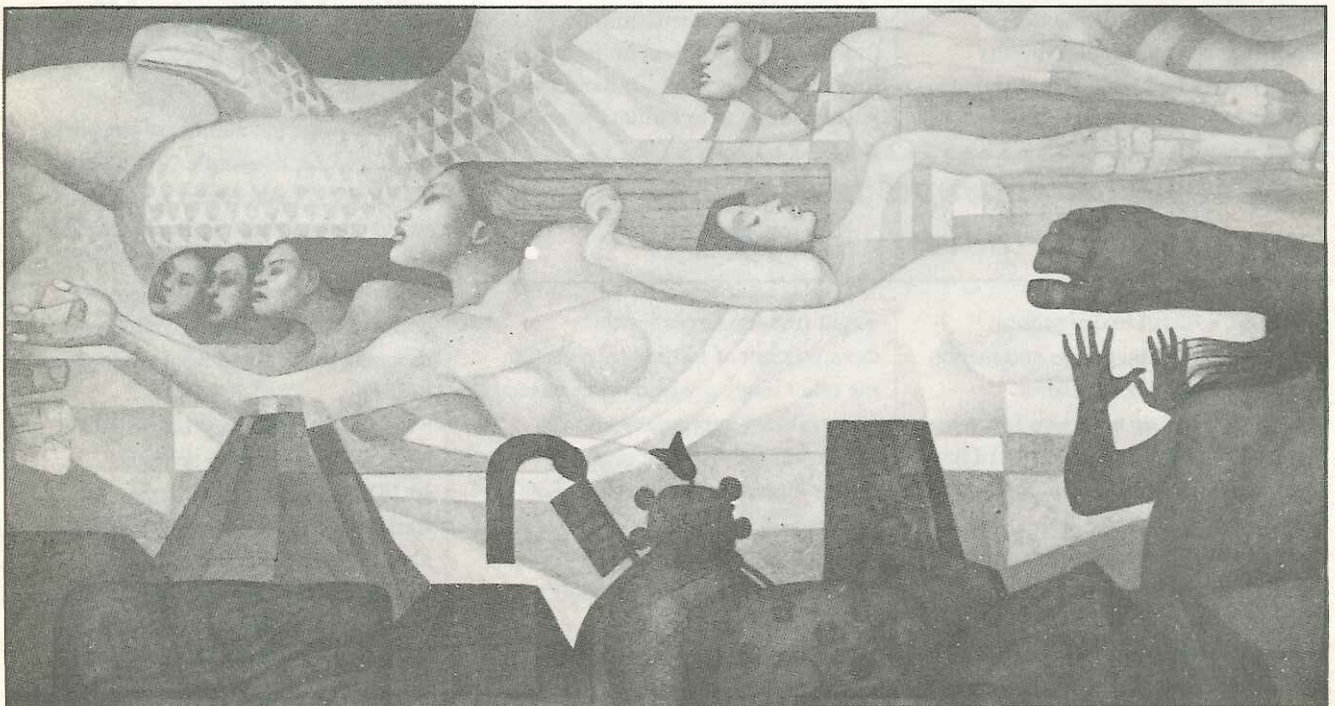
Thus Latin America's outlook for the year 2000 is still uncertain. Each country is responsible for its own recovery, but international cooperation could play a significant role in restoring development.

A new dynamism will not only favor the countries of the region, but it will also help the international economy. Canada and the United States could help us in this effort. The industrialized countries of this hemisphere are interested in having a prosperous, economically sound and politically stable, secure and democratic continent. This calls for a new stage of growth with fairness and productivity.

The European Economic Community and Japan should not overlook Latin America. There will be no benefit from stagnant and impoverished areas, and regional conflicts which create poverty and risks for world peace.

A new scheme of international collaboration has become indispensable. There will be no permanent success without equilibrium and less inequality between the different geographical areas. Freedom, justice and democracy are the values upon which the international system should be founded.

Regional blocs should avoid isolationism and hostility, because these do not favor the new arrangements that are to be introduced. We must strengthen the rule of international law, and our world and regional organizations, aware that the world is home to all of us and that we cannot remain aloof from whatever happens in any region **M**



Jorge González Camarena, Mexican Women.

Tenth Central-American Summit

The President of El Salvador, Alfredo Cristiani, chaired the Tenth Summit Meeting of Central American countries last summer. He welcomed his colleagues: Jorge Serrano Elías, President of Guatemala; Violeta Chamorro, President of Nicaragua; and Rafael Angel Calderón, President of Costa Rica. Carlos Andrés Pérez, President of Venezuela, and Patricio Aylwin, President of Chile, attended the Summit as observers. Although Guillermo Endara, President of Panama, was initially considered an observer, one of the first items on the agenda was accepting Panama as a participating member of the group. Endara took an active part once Panama was accepted.

The issues dealt with at this meeting focused on economic and political measures to integrate the region. The challenge is to develop real opportunities for eliminating poverty and improving the people's standard of living in peace and harmony. The agenda included three principal concerns: designing mechanisms for integration within the process of liberalizing economies, resolving the armed conflicts in Guatemala and El Salvador, and discussing the disarmament proposal to reduce armed forces in the region proposed by Honduras.

The general criteria for initiating integration were agreed upon in June 1990 at the Antigua (Guatemala)

Summit. The Central American Economic Action Program, created in Antigua, developed programs to be discussed and accepted by the Summit in El Salvador.

Several specific economic and commercial measures were approved. One established mechanisms to open interregional trade in agricultural produce, beginning this year. Another deals with developing a Free Trade Agreement that includes Venezuela within ten years. The agreement calls for awarding Central American products preferential treatment during the first five years as well as accepting Venezuela as a member of the Central American Economic Integration Bank.

The Summit also voted to reactivate the Organization of Central American States established in 1953. This institution stopped operating in 1969 during the "Football War" between El Salvador and Honduras. The Organization will be responsible for following-up on all the decisions taken at the Summit and coordinating their implementation. The attending heads of state agreed to create a mechanism to finance the work of the Secretariat for Central American Economic Integration within ninety days.

In the political arena, the final document condemned violence, terrorism and disruptive events that run counter to democratic processes, especially the use of violence focused on political goals. The heads of state expressed their satisfaction with the

progress attained in the pacification process in Guatemala. They called for unilateral disarmament of the Salvadorean guerrillas, under United Nations supervision, and expressed their support of the Cristiani government.

Spokesmen of the Farabundo Martí Liberation Movement (FMLN), the leading Salvadoran guerrilla front, qualified this position as unrealistic, representing a lack of respect for the United Nations mediation efforts. They expressed the view that the resolutions passed would only serve to encourage those who oppose dialogue. The Government of El Salvador and the FMLN initiated negotiations, with the aid of United Nations mediation, in April 1990, in an effort to end eleven years of war which had cost seventy five thousand lives. The Salvadoran opposition stated that the call for unilateral disarmament is biased, and that the ambiguous language employed in it seems to favor the Government of El Salvador.

The proposal made by Honduras to de-militarize the area and implement a regional security program was not supported. As a matter of fact, Jorge Serrano, President of Guatemala, opposed it so vehemently that he left the meeting before the closing session, stating that his country could not sign an agreement of this nature, until the armed conflict had been resolved

First Ibero-American Summit Meeting

The debates and conclusions that arose from the Guadalajara Summit meeting were numerous, fueled by a world in the throes of technological revolution, governed by the globalization of the economy, gathered into or divided by regional blocs, having left behind the Cold War, and at a time when the Latin American countries are immersed in the most serious economic and social crisis in their history.

The most outstanding were the questions expressed by all the heads of state present at the event: What is the place of the Latin American and Iberian nations? Is it possible to achieve a favorable insertion that works in the region's interests? Should insertion come only as a result of decisions made by the highly developed countries of the North? What conditions guarantee Latin America's economic and social recovery?

These issues were sounded in the speeches of all 23 heads of state and government on the first day of the Ibero-American Summit. All of them, both together and individually, stated that increased cooperation, continental solidarity, Ibero-American unity and integration were the cornerstones in the development of the area. Each of them referred to the cultural, historical and linguistic

The Guadalajara Summit, held in Mexico on the 18th and 19th of July, was an opportunity for Ibero-America to strengthen its ties toward integration and cooperation and, at the same time, an ideal mechanism for orienting the region toward its joint insertion into the international community. In order to have a reference and consultation center on the present situation and perspectives of the Ibero-American nations, an Ibero-American Library was set up in Guadalajara, to be known as the Octavio Paz Library in honor of his vast and extraordinary work, which includes having been awarded the Nobel Prize in Literature.

community and to the interests of our nations in a constantly changing world.

Prior to the meeting, President Carlos Salinas de Gortari received messages from the presidents of the Soviet Union and the United States, Mikhail Gorbachev and George Bush, and others, expressing their hopes that the First Ibero-American Summit

meeting would be a success, in view of its possible contributions to the global processes of integration, democratization and fair cooperation. The developed countries will, from now on, no doubt pay more careful attention to the transformations that are going on in the Ibero-American nations.

Official guests and participants

The first Ibero-American Summit meeting was held at a timely moment and conducted in a serious and dedicated manner. It was characterized by its cordiality and also by the enormous deployment of security forces to protect the participants. The heads of state and government of the following countries were officially invited:

Argentina*Carlos Saúl Menem***Bolivia***Jaime Paz Zamora***Brazil***Fernando Collor de Mello***Chile***Patricio Aylwin***Colombia***César Gaviria***Costa Rica***Rafael Angel Calderón Fournier***Cuba***Fidel Castro Ruz***Ecuador***Rodrigo Borja***El Salvador***Alfredo Cristiani***Guatemala***Jorge Serrano Elías***Honduras***Rafael Leonardo Callejas***Mexico***Carlos Salinas de Gortari***Nicaragua***Violeta Chamorro***Panama***Guillermo Endara***Paraguay***Andrés Rodríguez***Peru***Alberto Fujimori***Portugal***Mario Soares**Aníbal Cavaco Silva***Spain***King Juan Carlos**Felipe González Márquez***The Dominican Republic***Joaquín Balaguer***Uruguay***Luis Alberto Lacalle***Venezuela***Carlos Andrés Pérez*

Conspicuously absent from this Ibero-American forum were Puerto Rico, Haiti and Jamaica which, although invited to attend, did not take part officially. Puerto Rico has the status of a commonwealth freely associated with the United States which prevents it from having an independent foreign policy. The large Caribbean states of Haiti and Jamaica were absent too because they are not, strictly speaking, Ibero-American nations; that is to say nations that were colonized by Spain or Portugal.

recognizing what we are and evaluating what our future is to be.

"Riches and vast natural resources no longer determine the positions of nations. Nor is military power linked, as it once was, to progress in trade, finance and technology. The lesson of our time has been that of joining forces in order to create competitiveness, and that, we know, is never a fixed thing for any nation. It is forged by cultivating talents and encouraging social creativity, and it is consolidated in association, not in solitude."



A united Ibero-America at the Clementina Chapel.

Speeches Mexico

The first Ibero-American Summit meeting was opened by the head of the host country. In the Clementina Chapel at the Cabañas Cultural Institute, the President of Mexico, Carlos Salinas de Gortari said, "On behalf of all Mexicans and their government, I welcome you to Mexico, an Ibero-American land. Today our spiritual affinity finds a new expression in this summit meeting which is, at the same time, the beginning of opportunities for facing a world in the process of transformation. We seek to improve our circumstances and we believe that, together, we have better possibilities of achieving this. Perhaps this vast space, product of the will of each and every one of you, points out the new path for

Continuing his message, Salinas said that in these times of change, there exist well known risks: uncertainty in the world, the scarcity of capital, the link between poverty and deterioration of the environment, the threat posed by the drug traffic for the security of states and, above all, the power and influence of other regions in this post-Cold War period which might relegate our own region to a secondary strategic plane. Galloping demography, an immense challenge, also undermines our efforts, and the additional legacy of recent crises is a deterioration in the quality of what had been built up by earlier generations. We also have certain aims clearly in mind: integration with sovereignty, competitiveness, promoting both justice and equity, assimilating the

influence of the rest of the world into our culture and thereby strengthening its individuality.

"The Ibero-American region has some general tendencies, whatever the ideological origins of its governments may be: its economies are opening up, the state is being reformed, politics is being democratized, justice is being demanded explicitly, private investment is being encouraged, we are integrating both among ourselves and with the rest of the world, and the production sectors are being modernized.

"The real transformations –those in our minds– take time, and we have to give them time. Within the region, politics is the only tool for building the consensus that merits our efforts and give change the opportunity to demonstrate its benefits. The continent's drive for democracy will also be inward-facing, with tolerance and respect for sub-regional linkages that must take place between economic areas, to open up Europe to the Latin Americans and Latin America to Europe.

"The new agreements in the southern part of the continent, in Central America, and Mexico's with its northern neighbors, are of enormous significance for our future. These are not centrifugal forces that go against the unity we yearn for. We should welcome these new agreements that seek to put our capacities together, not to isolate them, and we

should welcome dialogue such as we have today, on what we have in common, so we may then take advantage of what makes us different."

In his speech of welcome, Salinas urged the participants at the Ibero-American Summit meeting to improve their communication, to set up Ibero-American forums that are free of red-tape, to weave the network of integration which is also internationalization so as, finally, to increase the number of political bridges we have in common and help us in our transition to the 21st century.

In conclusion, the Mexican president emphasized that: "Few regions in the world are as sure of their identity as ours is. We already have the strength to take off. In Ibero-America, nation and culture coincide; as the writer Carlos Fuentes tells us, we are a culture that predates nature and the problems of the world. Our culture is already universal: suffice it to imagine the world without our presence –it would be exceedingly poorer; without us it would lose versatility and viability. We are not just something added on to the world, but a fundamental part of its complex tissue, and we can help to make it a better place for our peoples and for all nations."

The speeches given at the first Ibero-American Summit were strictly by Spanish alphabetical order. We shall therefore stick to the order adopted at the meeting.

Argentina

The President of Argentina, Carlos Saúl Menem, said he welcomed President Bush's Initiative for the Americas, to make the continent into a large integrated commercial and industrial area, as long as the benefits are shared equally by all the countries participating in it.

During his seven-minute speech (the maximum time allotted to each speaker), Menem indicated that Ibero-American unity should not perpetuate poverty, backwardness and marginalization, but rather banish the false sovereignty of hunger, isolation and anachronism, thereby elevating the sovereignty of common development.

At present, he said, our capacity for doing, creating, living together, of being ourselves, without dissimulation, without absurd styles or inferiority complexes, is being put to the test. Therefore, he called on Ibero-Americans to have a look at themselves in the world's mirror, without losing sight of their own identity.

Bolivia

Jaime Paz Zamora, Bolivian head of state, proposed a fivepoint plan for the nations invited to the Summit:

1. To reverse the historical technological defeat that the region has suffered ever since 1492, creating conditions for and rights to health, education and housing



One big Ibero-American family.

2. To bring about a historic ecological respite, in order to preserve natural resources
3. To free markets in order to combat economic marginalization
4. To set up an Ibero-American fund for the development of the native Indian peoples, but without any trace of paternalism
5. To seek suitable systems of communication, consultation and solidarity

The winners, the Bolivian president said, will be those who put their strength at the service of solidarity. He urged that, at the same time, we should turn adversity into a rallying point for supportive convergence.

Brazil

The President of Brazil, Fernando Collor de Mello, stated that we must seek urgent and realistic solutions to the problems stemming from the gap existing between the northern countries and those of the south. Likewise, he said, we must look for a rapprochement between poor countries and rich ones, expressing his concern about the divisions that have arisen between those who have capital and technology and those who have no access to these resources. Finally, Collor de Mello explained the advantages of those who have the opportunities for acquiring knowledge.

Colombia

Among the first bloc of speakers –prior to a 15-minute break that received unanimous approval– the President of Colombia, César Gaviria, alerted the Ibero-American community to the crime that drug trafficking has become, urging those attending the meeting to strengthen coordination between the authorities of the nations affected, so that the victories of some do not, in the medium-term, turn into problems for the others.

In this context, he pointed out that Colombia requires the cooperation of other countries to provide relevant data and evidence that would be of help in prosecuting the heads of the drug trafficking clans.

Costa Rica

The President of Costa Rica, Rafael Angel Calderón Fournier, stated that the enemies of the nations in this area are poverty, underdevelopment, social injustice, red tape, protectionism and violence. The path toward development must necessarily have a human face.

On the subject of ecology, he stressed that to protect the environment and save the planet from ecological catastrophe, it need not matter what our nationalities or ideologies may be. In addition, democracy does not merely mean clean elections; for there to be political freedom, there must be

pluralism, for there to be religious freedom, there must be tolerance.

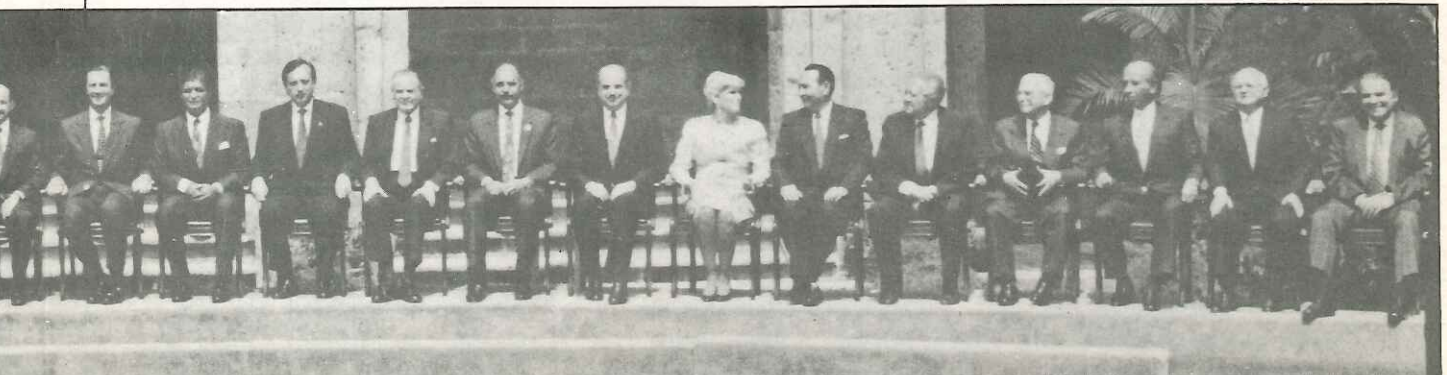
Cuba

The seventh speaker at the meeting, Fidel Castro Ruz, president of the Republic of Cuba's Councils of State and Ministers, stated that for the first time we Latin Americans were getting together without having been invited to do so by other nations, and therefore the meeting was doubly historic. President Salina's invitation and initiative had never been more timely or necessary.

During his speech, Castro Ruz recalled that "for the tenth consecutive year, the economic crisis continues to affect all of our economies; today our per capita product is no higher than what it was 13 years ago; the terms of exchange are 21% worse than at the beginning of the eighties; the external debt continues to be over 400 billion dollars in spite of the fact that in the last eight years the region has transferred 224 billion dollars' worth of resources to the developed world and that inflation has reached unprecedented levels.

A consequence of this situation has been the enormous social and human cost in terms of hunger, illness, illiteracy, slums, tens of thousands of homeless children and almost half the population unemployed, underemployed or suffering from malnutrition.

Later on, after having summarized the differences between



the Latin American nations and those that are part of the First World, Fidel Castro said, "I think that although there are many things that we could discuss here, the essential one -and what gives this meeting its really historic sense- is the decision to unite our strength and our will for the integration and unity of Latin America, not only in the economic, but also in the political field."

Chile

The first civilian President of Chile -after 15 years of dictatorship-, Patricio Aylwin, called for a renovation of the United Nations so that it might accomplish its function of preventing and stopping conflicts, as well as that of defending democracy. He indicated that in Ibero-America it is necessary not only to raise the standard of living, but also to care for its quality; we should add intelligence to our natural products, recommended the Chilean head of state.

Later on, he stated that the nations invited have to achieve a shared development and abandon models that do not respect natural and human ecology. Finally, he stressed the need for Ibero-Americans to draw closer to the European Economic Community.

Ecuador

Rodrigo Borja, president of Ecuador, declared that the development of the southern countries is an indispensable condition for peace and stability in an interdependent world. He likewise demanded a new organization for the international economy that would bring justice, equity and a fairer distribution of wealth to the poorer countries. In his message to the other participants, he denied that the changes in Eastern Europe mean the end of history: "It's just the end of one chapter," he declared. Continuing in

this strain, he emphasized that neither market capitalism nor the socialist system of a directed economy are perfect, and felt that the challenge consists of taking from each of them what is needed for a functioning mixed economy.

El Salvador

Alfredo Cristiani, president of El Salvador, pointed out that it is time to proclaim the spiritual and material worth of Latin America in the world context, and stated that he was in favor of making the great step forward as inter-communicating nations.

Up to now the voice of Latin America has been that of the injured and unsatisfied, he added, and commented that Ibero-Americans must be partners in the great enterprise of common development. In conclusion, Cristiani expressed his confidence in overcoming the tensions in his country through civilized understanding.

Spain

King Juan Carlos of Spain stated that his nation had come to the meeting in a spirit of service and solidarity, to share not only the history, but also the present and future. He called on all to work together with the aim of achieving progress and establishing the principles of democracy, respect for human rights and the development of our peoples.

He stated that the world is heading toward a Europe without frontiers and that, in this context, Spain will continue to open itself up and, especially, its "particular and close" relationship with Ibero-America. "This is a function," King Juan Carlos stressed, "that I have taken on with our constitutional order, and to which I shall devote myself with an authentic vocation."

Immediately afterwards, the Prime Minister of Spain, Felipe González, addressed President Salinas

de Gortari and the other heads of state in the following terms: "America has always been a land of freedom and imagination and, under the shelter of these two words, we have come together -21 Ibero-American nations- in order to take advantage of what unites us and to continue to build better and firmer relations."

Referring to the integration of Latin America, the Spanish prime minister pointed out that the area already has long experience in this matter; examples being the extension of the Río Group, the San José Group, the creation of the Southern Common Market, the recent signing of a Free Trade Agreement between Mexico, Colombia and Venezuela, and the future consolidation of free trade areas as part of the Andean Pact.

Finally, Felipe González told President Salinas that he hoped that Spain might contribute honorably and seriously to the Ibero-American effort, maintaining its firm commitment to democracy, with projects for regional integration and programs of economic viability, in order to make the nineties a decade of peace and prosperity.

Guatemala

Certain speeches were optimistic and loaded with a good deal of mutual interest, while others expressed pessimistic views, such as those of the President of Guatemala, Jorge Serrano Elías. He presented a tragic picture of what his people had suffered, stating that he was the representative of a nation which tyrants, empires, and wars brought about by the East-West conflict had always managed to "divide and rule".

"This confrontation," he explained, "unfortunately used Guatemala as a battlefield, but it could not break us, because in us the invincible Maya always springs up like corn after the storm and replies 'present' when asked to continue the struggle. We have seen that in the

final stage of the Cold War, some have contributed weapons, others money, yet others ideas, while we contributed our very lifeblood and suffered stagnation, poverty and underdevelopment because of it."

Honduras

According to the head of state of Honduras, Rafael Leonardo Callejas, this first Ibero-American Summit represents a historic rendezvous for the great efforts made by Latin Americans. The most outstanding of which is the full awareness of their unity, and the joining together of

Nicaragua

The President of Nicaragua, Violeta Chamorro, called for unity and solidarity since, she said, this is no time for brothers to be making war. On the subject of El Salvador, she commented that it is high time this destructive conflict should come to an end, overcoming the differences through dialogue and negotiation.

On the question of peace, she said that her country brings to the crusade for peace its new-born democracy that arose from the authentic dialogue for national reconciliation and from political and social consensus.

government, nor will it commit electoral fraud.

Paraguay

For his part, the President of Paraguay, Andrés Rodríguez, declared that the Ibero-American countries must work for a fairer international order that favors the developing nations. At the same time, he pointed out that for there to be growth, a larger share in the world market is needed. He went on to call for an end to protectionism as a means of making room for greater equity and balance in international events.

Peru

Alberto Fujimori, head of state of Peru, said that Latin America has always been a peace-loving continent and that now, as such, it will also be the continent of development. He spoke of the external debt and social disruption arising from demographic growth, and the lack of resources for attending to it. Finally, he spoke out against the arms buildup and in favor of social development.

Portugal

According to the President of Portugal, Mario Soares, human energies have started to free themselves and can now mobilize the means that are indispensable for carrying out the tasks of development, which can no longer be put off, in vital areas such as the economy, education, justice, culture, and defense of the environment, so as to correct the serious asymmetries that still plague the nations of Ibero-America.

All of this is possible, he concluded, because pluralism and democracy have been restored in the region, basic freedoms and rights have been reinstalled and disarmament policies have been consolidated



Salinas and Chamorro are looking at a brighter future.

Iberians and Americans who, for the last 500 years, have been forming a nation that possesses its own destiny, nature, and the need -that can no longer be put off- to speak out with sincerity in order to find a common future.

Callejas stressed that, for the first time, there is democracy in the Central American republics, with legitimate governments and the people have a right to elect their own representatives and governments peacefully and authoritatively. Finally, he stated, "We are the ones who govern the destinies of our peoples through our civic strength, a right which we certainly cannot renounce without becoming submissive and subservient."

Panama

"Democracy must provide a positive answer to the problem of poverty and its wake of ignorance and illness. Democracy must provide the material well-being that all the population has a right to, especially the poor and unprotected," stated the President of Panama, Guillermo Endara, during his speech at the first Ibero-American Summit meeting, going on to say that he was going to reform the Panamanian Constitution so as to abolish, for ever, the armed forces and all traces of militarism.

To end his speech, Endara explained that, based on its own positive law, Panama will recognize no regime stemming from a military coup against a legitimately elected

at both the international and the regional level.

The Prime Minister of Portugal, Anibal Cavaco Silva, then declared, "This Summit meeting is being held at a most suitable moment for the reaffirmation of our community, our culture and its values in the international sphere and its evident transformation. It also serves to share experiences and to define political paths to be followed in future relations."

He also stated that, on this occasion, the objectives that now seem likely to be achieved during the nineties are the maintenance of peace and the establishment of a collective security system, respect for international law, an end to regional conflicts, the installation of democratic regimes that respect human rights, economic and social development and a lessening of the differences between North and South. Cavaco Silva attempted to define these goals more precisely and with renewed hope.

The Dominican Republic

Almost at the end of the first working day, the President of the Dominican Republic, Joaquín Balaguer, gave his speech, making a striking impression on the participants because of his frailness. The oldest of the heads of state, the 86-year old Dominican, in a quavering voice, presented an extraordinary overview of Ibero-American history and language, from colonial times to the present day.

Uruguay

Immediately afterwards, Luis Alberto Lacalle, president of Uruguay, expressed the need for the process of integration, which appeals to and dazzles all of us, to be a gradual one, as we have not yet given sufficient thought to how we can avoid falling into the trap of sowing empty dreams once again, when our peoples demand

realities. The process must be a gradual, successive, slow and modulated one, since it is the cornerstone on which to build this heartfelt desire, based on our geographical realities.

The Uruguayan head of state made special mention of drug trafficking, stating that in this struggle it is necessary for each nation and area in the world to assume its respective responsibilities, the greatest of which is the responsibility for consumption - the root cause of this deadly activity. He added that we should recognize the sacrifices made by the countries where the blood of ordinary people, judges, politicians and police, has been shed; not only a verbal recognition, but also in the form of compensation and better prices for their products, so that they may find other activities to which they can devote themselves.

Venezuela

"Integration will cease to be just a favorite topic in speeches. It has now become part of our reality and our great destiny. A new era is being born in Latin America, without paternalism or complexes of subordination. We are becoming our own masters, laying aside resentments and futile quarrels; and thereby, seeking to converge with the First World," said Carlos Andrés Pérez, president of Venezuela, during his speech at the opening session.

He likewise rejected the trivialization of the Latin American identity, because the region knows itself to be an essential part of a new international order. He later pointed out that the CELA, the ALADI, the Southern Common Market and the Andean Pact are the best political expressions of Latin America's desire for integration.

The Guadalajara Declaration

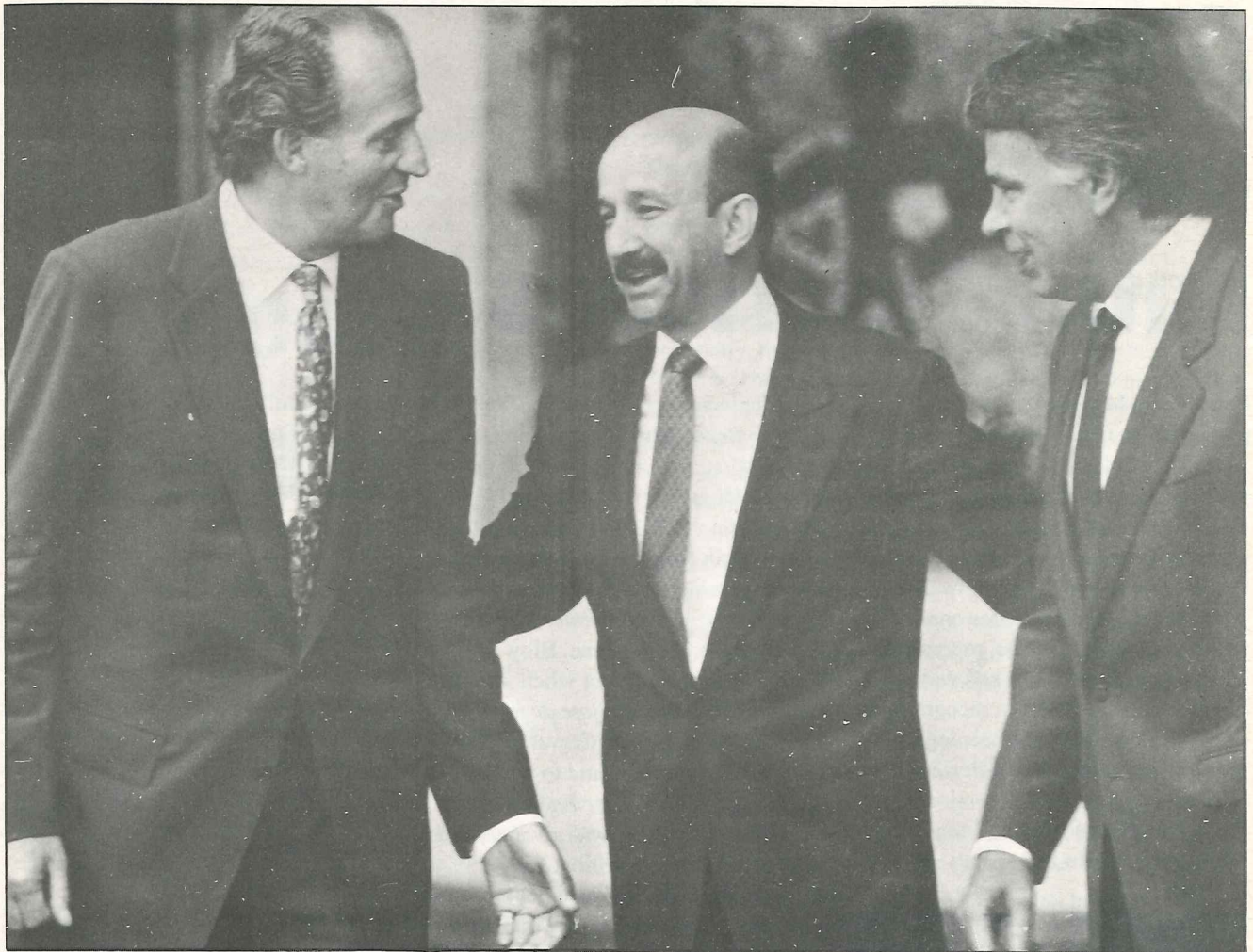
As a result of this first Ibero-American Summit meeting, the 23 participants decided to establish a permanent forum: the Ibero-American Conference of Heads of State and Government, as it is named in the Guadalajara Declaration. The document contained the agreements reached in the areas of trade, democracy and sovereignty, ethnic groups, health, ecology, culture and drugs.

The far-reaching economic readjustment that Latin America is undergoing imposes sacrifices that must cease, or it will not be possible to have true social justice, the declaration affirmed. The heads of state and government made a joint appeal that this effort would bring a response from the international community, and that complementary resources would be forthcoming and protectionism and discrimination in trade eliminated. Furthermore, they committed themselves to foster the right to development and fairer and more equitable international economic relations.

They took the opportunity of pointing out that if the present situation were to persist it might lead to the replacement of ideological bipolarism with a division between the rich North, with its capital and technology, and the poor South, with no prospects.

The aim of this conference was to further a political, economic and cultural process, by which the Iberian nations may achieve together a better and more efficient insertion into the world economy, which is at present in a state of transformation. For this purpose, they fixed the dates and places for their future meetings: 1992, Spain; 1993, Brazil; 1994 Colombia; and 1995, Argentina.

The presidents proposed a strengthening of the multilateral



King Juan Carlos, Carlos Salinas de Gortari and Felipe González.

international trading system, with the aim of guaranteeing an open world economy, helping to move toward the realization of the GATT's Uruguay Round, fully complying with its rules and objectives.

The participants also indicated the need to restructure the multilateral organizations, particularly the United Nations system, so as to achieve a fairer and more democratic international order that would guarantee peace and promote the well-being of nations.

Another point of agreement reached by consensus was that of trying to reinforce democracy and pluralism in international relations, with full respect for the sovereignty,

territorial integrity and political independence of all states, and the equality and self-determination of their peoples.

As an immediate action, they set up an Ibero-American fund, with the support of international organizations, for the development of native Indian peoples. The fund will seek a favorable solution to the problems of the different ethnic groups, but not in the sense of "Indian reserves" or paternalistic compensations.

In addition, President Salinas proposed the candidacy of Carlos Solchaga, Spanish Minister of Finance, for the post of chairman of the International Monetary Fund's

Interim Committee, which has never been held by an Ibero-American.

A long list of agreements is contained in the 10-page Guadalajara Declaration. However, special emphasis was placed on the need for full respect for human rights. The document contains 24 points of agreement in its first part, which is in fact a summary of the proposals and speeches. There are 8 subsections on the subject of the enforcement of international law; 14 on economic and social development and 6 on education **M**

Celia I. Martínez Zwanziger

Staff writer.

A medley of awards for Latin Americans

Prestigious Mexican award presented to Chilean poet. Nicanor Parra, the Chilean poet, recently received two honors, the prestigious *Premio Internacional de Literatura Juan Rulfo* and a Doctor Honoris Causa from Brown University. The Rulfo Prize, which includes one hundred thousand dollars, represents Mexico's highest award and was given to Nicanor Parra in recognition of his work in defense of ecological and cultural values. The ceremony will take place at the International Book Fair in Guadalajara, Mexico, on November 30th of this year.



Adolfo Bioy Casares

Argentinean author honored by Mexico & Spain. The Argentinean writer, Adolfo Bioy Casares, was also honored twice this year, Spain giving him the *Premio Miguel de Cervantes*

and Mexico awarding him the *Premio Alfonso Reyes*. The Spanish King, Juan Carlos, personally awarded the *Premio Miguel de Cervantes* in Madrid last April. Bioy Casares is the eighth Latin American to receive this award. President Carlos Salinas de Gortari awarded the *Premio Alfonso Reyes* on the 24th of June. Bioy Casares became a writer when, deeply impressed by *Don Quijote de la Mancha* by Miguel de Cervantes, he felt the need to create and to write. The award, named after the author that led him to write, was given to him after sixty years of writing. Bioy Casares has dedicated his talent to perfecting the fantasy genre and the detective story. Among his best known books are *La Invención de Morel* and *Dormir al Sol*.

Mexican scientist's work recognized by Spain. Francisco Bolívar Zapata, a Mexican biochemist, was honored with the *Premio Príncipe de Asturias de Investigación Científica y Técnica* for his research in the isolation, identification and manipulation of genes that are of interest in both basic research as well as for application in the biotechnological industry. The prize will be awarded in Oviedo, Spain, this fall. Bolívar, forty-one years old, is a member of a group of research scientists who worked in San Francisco, California, with genetic engineering techniques and produced human proteins in bacteria in 1979.

He is currently the Director of the *Centro de Biología Molecular de Cuernavaca* (Molecular Biology Research Center) of the National University of Mexico. He will receive fifty thousand dollars and a Joan Miró sculpture.

Spain honors Puerto Rico. The prestigious *Premio Príncipe de Asturias* has been awarded to the Government of Puerto Rico in honor of its exemplary defense of the Spanish language. This recognition was announced two weeks after Governor Rafael Hernández Colón signed a new law making Spanish the only official language in Puerto Rico. This law replaces the 1902 legislation which designated both English and Spanish as Puerto Rico's official languages. The former Spanish colony and currently Free Associated State of the United States will be represented by its authorities at the ceremony in Oviedo, Spain, this fall. They will receive fifty thousand dollars and a Joan Miró sculpture. **M**

Raquel Villanueva

Circulation Manager.

Italy and Mexico: a political analogy

*José Francisco Ruiz Massieu**

When a political system, such as the one in Mexico, decides to accelerate and intensify the democratic process it is advisable to take a good look at the theory of democracy. This is easier if a comparative method is applied. Such a contrast could include analysis of the formal constitutional framework, political realities, and the relationship between the two.

If we review the Mexican and Italian systems to identify similarities and differences, the end result is both a *political analogy*, and a *forgotten analogy*. There are similarities in both countries, however, that have not been examined.

Mexico and Italy could not be more different in terms of the formal institutional structure. Mexico adopted a presidential system of government after achieving independence. Italy instituted a parliamentary system in 1862.

Italy employed a centralist arrangement, conditioned by regional elements in 1947. Mexico opted for a federalist structure with important centralist elements that have not been modified in many years. There is a drive to decentralize in both countries, as well as a deep concern with the development lag in their southern regions.

Mexico opted for the current republic system of government when Iturbide's self declared "empire"

* Present Governor of the State of Guerrero.

collapsed in 1823. Italy modified its structure with the referendum of 1946 after the Allied victory in World War II.

Both countries have similar legislative structures of two chambers, a Senate and a House of Representatives. The Italian chambers have an equal voice in electing a President, creating a government and transferring power from one administration to the next.

The Italian system approaches direct democracy. Its citizens have the right to propose laws and call for referendums. Although they do not exercise these rights frequently, the democratic process is firmly established. These mechanisms have not been implemented in Mexico aside from a faint-hearted, temporary and unproductive effort in the Federal District.

Observing the Italian Parliament in action and comparing it to Mexico can be fascinating. The Italian President can dissolve the Parliament and call for elections to consolidate his power, if he deems the mood of the people to be favorable for his plans. This power, like the sword of Damocles, is a way of testing the ground to maneuver alliances in support of government decisions. Calling for early elections can make heads roll in ruling parties that are not prepared.

Italy has been ruled by a parliamentary government since the period of the Albertan Statutes, with a relatively brief fascist interlude. Mexico has maintained a presidential system with minor deviations. In Italy, the President is elected by an Electoral College that includes both chambers and three representatives from a Regional Council. Italy is ruled by proportional representation. Mexico chooses its leaders with a combination of direct and proportional representation. The President and the Senate are elected by a direct vote and their elections ratified by the House of Representatives, while the latter are elected by proportional representation.

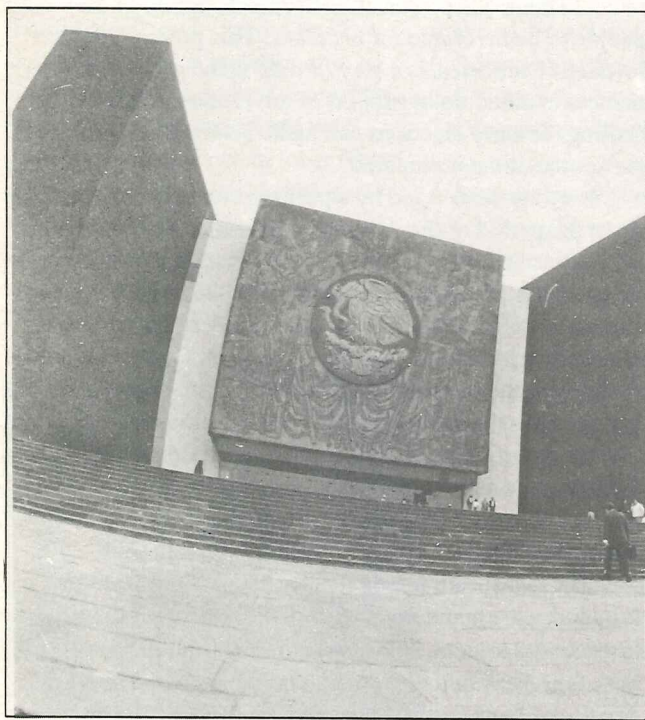
The Constitution in both countries is the basic law. It includes the mandate for democracy and establishes an institutional system. The Mexican Constitution grew out of the Revolution of 1910. The Italian one was developed by the political parties who fought and triumphed over fascism.

The Italian Constitution is an explicit legal transition from dictatorship to democracy. In Mexico the Querétaro¹ Charter became the instrument to accelerate the process of democratization, and, according to some, was a critical phase of the transition to democracy. Both constitutions specify amendment procedures. However, while the Italians have not altered theirs, Mexico has made many modifications.

¹ The Constitution of Mexico was drafted in the city of Querétaro, approximately one hundred and fifty miles northwest of Mexico City.

There are numerous parallels between the political experiences and constitutions in the two countries. The most significant is the role of the party in power. Mexico has been governed by the same political party without interruption since the Constitution was ratified in 1917: the *Partido Revolucionario Institucional* (PRI). In Italy, the Christian Democrats have also controlled the government, although under different circumstances. The PRI has always managed to maintain an absolute majority on its own, while the Christian Democrats have formed a series of coalitions to hold on to their controlling position.

Italian coalitions are formed after elections have taken place in the process of negotiating a new government. In Mexico, until the 1988 presidential election, it was common for parties of the opposition to nominate the candidate for President chosen by the PRI, though this did not affect the make up of the House of Representatives or the shape of the government itself.



The Legislative Palace of Mexico.

This means that under the Italian parliamentary system the ruling party must form a legislative coalition or the government falls. In Mexico the presidential and the mixed electoral system allow for one party to hold the Presidency and another, or several others, to control the Congress, without coalitions or threats of a governmental failure.

Recently, the ruling party (PRI) in Mexico has seen a decline in the number of votes it receives, to the point that it almost lost the absolute majority in the 1988 presidential election. Since then, the phenomenon of volatile votes has

appeared in Mexico. Italy, on the other hand, has not experienced radical changes in their voting pattern.

Analyzing the constitutions in each country is not enough. We need to investigate the dynamics of the political parties. Both countries have multi-party systems, and this also calls for further probing. Many believe that Italy has a multi-party democracy where the ruling party inhibits democratic institutions. Others think that Mexico has only one politically viable party with other smaller factions that have a hard time gaining access to power.

Small minority parties play an important role in both countries' imperfect multi-party system. The Christian Democrats would not be in power if it weren't for coalitions. Mexico's PRI would not have been able to carry out the critical legislative reforms such as bank privatization and electoral reform without the support of minority parties. The leading opposition is the *Partido Acción Nacional* (PAN), that received seventeen per cent of the votes in the local elections of 1988.

In terms of the political focus in the two countries, the Christian Democrats vacillate between the center and the left, and the PRI tries to consolidate a central position, the so-called progressive center, to secure the support of the center-right, not to mention the straight center, traditionally represented by the PAN.

The PRI is not the only party courting the center. Many political groups have shed their traditional platforms to wave the flag of the Mexican Revolution. The far left communist parties (PSUM, PMS) faded and joined the *Partido de la Revolución Democrática* (PRD). This party has its roots in the *Frente Democrático Nacional* which had broken all voting records for an opposition party in 1988, led primarily by dissidents from the PRI.

The Italian and Spanish International Communist Parties, although not the French, are following the Mexican pattern and shedding their Marxism. They are now "democratic-left" parties moving toward a moderate center-left position, and thereby becoming more viable alternatives in today's political climate.

The multi-party systems in Europe and Latin America are changing, primarily through modifications of strategy. Italy has always had a radical element committed to pressuring Western democracies to live up to their idealist foundations: "the loyal opposition". Although they may not be viable, or even desirable, alternatives, this opposition claims that parties struggling for power must accept the minimal social conditions promised by the Constitution, even though they may not coincide with the system developing and applying them. They also demand that both the "loyal opposition" and alternate parties make a clear commitment to following the rules of the election game:

equality, electoral impartiality and effective voting, thereby assuring that the losers have actually lost, and that the victors have actually won.

Politics is a popular topic of conversation in all political systems. Italian parties arouse interest due to the large number of small groups supported by the "Barons". The fragmentation of power in the Italian system is illustrated quite graphically by the board appointments to government positions and the participation of and cooperation with the opposition.

In Mexico the plurality of the ruling party (PRI) has suffered from excessive presidential control. Although there are no "Barons" in Mexico, there are renowned leaders and governors who strive for local political interests. Their influence, however, is limited to local administrations and does not extend to the national scene. Further, the regional activity is limited by the constitutional prohibition of reelection.

Some Italian political parties², though not the Christian Democrats, are affiliated with social organizations such as labor unions, as is the PRI in Mexico. This is also true for England's Labor Party, and in Spain with Felipe Gonzalez's ruling PSOE. The PRI therefore enjoys considerable internal cohesion, while the Italian Christian Democrats are afflicted by internal splintering.

The internal life of political parties is affected by the electoral system. A common observation of the Italian system is that proportional representation produces a higher echelon selecting the parliamentary candidates, and therefore nominees are often detached from the electorate.

The Mexican electoral system of one round of votes for a straight majority means one nomination per electoral district. One result of the highly contested election in 1988 has been that local interests are more carefully considered in order to select viable candidates. The proportional representation system looks at the national panorama when nominating candidates from the higher echelons of the party, and opposition candidates in Mexico are normally chosen by the national organizations, a fact which might explain their limited electoral success. However, the *Partido Acción Nacional*, applies a system of locally nominated candidates, and has demonstrated its ability to win elections.

Italy also deals with the longstanding obstacles to democracy in areas such as Sicily and Calabria, where analysts have noted increasing organized Mafia and Camorra penetrations into local political structures. Mexico does not have a parallel situation.

In Mexico, the PRI's approach has encouraged extensive rotation of power positions among people within the ruling class. This not only reflects the federalist nature of the

political structure, but also assuages fears of the ruling party blocking vertical mobility in the corridors of power. The Italian system vis-à-vis the accessibility of power is diametrically opposite. Central control of nominations and the "Baron" phenomenon have spawned a plethora of senior citizens in power.


Italy has created a "party-ocracy", where it is the political parties who control the country. Negotiations between parties take place outside the institutional framework of Parliament and the Council of Ministers. Critics warn that the role of a central Parliament is deteriorating. By contrast, in Mexico the role played by Congress has recently been escalating. Negotiation toward consensus within the institutional framework is increasingly common and positive.

Exploring the democratic process also brings up substantive issues. Both the Italian and Mexican systems developed when an authoritarian phase came to a close, fascism in Italy and the Porfirio Díaz dictatorship in Mexico. There are, however, real differences. Italy has had to face its immediate past (1922-1943) while Mexico reacts to the more remote last half of the nineteenth century. Italy chose democracy with electoral participation from the outset, with the "party system of democracy" limitations built in, while Mexico built a lugubrious multiparty system that has only recently changed during specific elections and in specific spheres.

The Italian process has been heavily influenced by external factors such as the United States, the European Community, the Cold War and, recently, the democratization of Eastern Europe. Mexico, on the other hand, has developed its democratic process internally.

The issue of Catholicism has not been relevant to the electoral process in Mexico since the resolution of the *Cristiada* conflict (1929) over the Church's objections to the Constitution of 1917. In Italy, on the other hand, the Christian Democratic party integrates church politics into its platform and therefore has enjoyed both the support of the ecclesiastical hierarchy and the resulting electoral payoff.

The Italians face public demand for institutional reforms aimed at strengthening their Executive Branch. The process of democratic reform in Mexico looks to strengthen Congress. Italian reformers are reassessing the role of the majority system in creating their Parliament, while the Mexican process has already increased proportional representation.

A final and critical difference between these two political systems is that the Italians have built a democracy within a highly developed economy, while Mexico's more modest process has taken place within a gradual and still unsatisfactory development 

² Communists, the Social Democrats and International Socialists.

On the 20th anniversary of the CCH¹, Pablo González Casanova talked about the many changes that have taken place since 1971 in the fields of mathematics, technology, communications and in the Spanish language; the institution's present and future needs, and the challenges they present both for teaching and research.

I would like to speak about some of the changes that have taken place over the last two decades and their implications for the College. I believe that the three problems that the College aimed to solve, from its outset, continue to be valid: to unite the different faculties, schools and institutes around a concrete project; to link secondary and professional education to scientific and humanistic research; to foster innovation in the University, and the University's adaptation to the country's requirements and to our times -and to do so as an interdisciplinary organization within the university system. All these objectives not only continue to be valid but have now taken on a special urgency.

The CCH was conceived as belonging to the whole University, to act at all levels of education, research and dissemination of culture. Many people thought -and still think- that the CCH corresponds solely to high school courses, due perhaps to the fact that this was the CCH's first big task -and what a task it was! I should therefore like to consider briefly the changes in some of the basic subjects appearing in the CCH's syllabus.

What has happened, between 1971 and 1991, to the two languages and the two methods considered fundamental in the pre-university syllabus, mathematics and Spanish, and the experimental method and the historical one? First of all, we should explain that those two languages and methods are related to other languages

¹ *El Colegio de Ciencias y Humanidades, CCH (College of Sciences and Humanities) is a system of high-schools directly attached to the University which give special pre-university courses. Students from the CCH may enter the University directly without having to take an entrance exam.*

Some changes in the sciences and humanities (1971-1991)

*Pablo González Casanova**

and methods. Mathematics and Spanish were chosen as the expression of the quantitative and the qualitative. The historical-social method and the experimental one are not the only possible ones, but rather the pillars in which philosophy, humanities and sciences converge.

What has changed, then, in mathematics?

In addition to its numerous classical achievements, in these twenty years, mathematics has undergone innovations that are closely linked to the development of the technology that mathematics itself made it possible to build up. Its influence on computer science, microelectronics, communications, information -and even rhetoric- has produced a veritable revolution in the way we live and work. The "society of communication" has come into being and some of the greatest

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mathematicians, such as Neumann, have contributed alongside physics and engineering, the fields which developed it.

Computer science has enabled us to solve extraordinarily complex problems of numerical calculus that were formerly unsolvable, or would have required about 2,000 years of work to do what can now be done in a week. This calculating power, sometimes almost instantaneous, is the only thing that makes space flight possible.

Technology and mathematics not only enrich the language, but also the application of technology and language to methods used in the experimental and para-experimental sciences. Here too the main changes have been closely linked to those technologies they helped to create.

In the early seventies it was still not possible to replace the laboratory by the computer, although hypotheses were already being formulated on the computer. Neither was it possible to make such precise simulations of reality as we have achieved since then. The formulation and testing of hypotheses are now carried out with a technological and conceptual infrastructure that did not exist in those days.

One of the great discoveries of the mathematical and physical sciences is that of "chaos" as a universal phenomenon, the element coexisting with determinism, and

which is responsible for the appearance of structures in complex systems. This has implications for the whole of human culture -meteorology, biology, medicine, the social sciences and philosophy. All of this would be impossible to understand if the computer itself were unable to simulate chance in a regulable, repeatable and controllable form.

“Mastering English doesn't mean that it has to master us”

Recent discoveries in electronics and biology are creating a new world of "thinking computers" corresponding to bizarre new fields that we will have to learn to know and handle. People are even beginning to talk of a "new physics", with biological elements and metaphors.

The challenge now is to study the essential changes in experimental method, science and technology in a society in which information has changed quantitatively and qualitatively in such a way that would be uncontrollable if we did not know how to handle and use the information provided by computers, and at the same time, how to select information using classical methods, with a critical sense and also a sense of what is essential. Qualitative selection takes on unusual importance when faced with the glut of information.

As for Spanish, we do not have sufficient grounds to say that it has changed more in these last twenty years than in the past, but it is in a state of constant change: in vocabulary, pronunciation and grammar. However, at the same time Spanish maintains a great unity.

The incorporation of foreign terms and expressions, slang words and idioms into Spanish has long been a subject of concern. In the last few years the balance has tipped toward defending the theory of diversity as a form of enrichment of the language. However, there is no doubt that although this current is extremely important for understanding the life of the language, so too is that of those who seek to assure that the 500 million Spanish speakers do not lose the unity that enables them to communicate.

The language is increasingly enriched by new words, many of which stem from English -as they came from Arabic in the days of the Cid. To adapt them, if and when they enable us to express something more precisely, is the task of our great writers.

This leads us to two points that are linked to present day Anglo-Saxon speech: the increasingly general knowledge of English and the growing unity between the language of words and that of images. English has become



National University of Mexico.



A new generation of methodologists at The Center for Foreign Students.

the world language. It is the mother tongue of 400 million people, and the second language of as many again. The latter are not merely scattered all around the globe; they use English for their work, and in the field of entertainment the majority of songs and video-tapes are in English. More than 80% of the data stored in computers, and more than 90% of the programs, are also in English.

“The meaning of the expression is as important as its beauty”

We have to have a good knowledge of Spanish, our national language, but we have to master English too –and perhaps a third language, such as French, Russian, Chinese, Japanese, or one of our Indian languages such as Nahua or Maya. If we wish to, we can all be bilingual or trilingual. The Indians of Mexico want to know Spanish as well as their own language; Americans are ever increasingly choosing Spanish as a second language. There is no reason for us not to study our own language very well and other

languages too –starting with English– using all the available techniques. Mastering English doesn’t mean that it has to master us.

I should now like to stress another language that has been developed: the language of languages that combines words, sounds and images. In the seventies a culture arose that replaced the mass culture and gave to the moving image and its accompanying words and background sounds the task of reaching the consciousness of people so that they might build their own image of the world, through the media, and with nothing more than data provided by the media, without the data that remained concealed from them.

Although this had begun earlier, from the seventies on it changed with regard to two main points that are central if we are to understand the domination of this language of languages: they changed resistance into merchandise, dreams into merchandise, and used the merchandise itself as advertising for the corporations that sold it and, again through these commodities, advertised the status quo itself.

Another change consisted of transforming the old mass culture into one of the numerous minorities that go to make up the majority. Ethnic minorities, sexual ones, urban-dwellers, and ecologists became

the targets of stratified messages that aimed to make each group accept its image as being tantamount to its identity.

Unamuno, in one of his ironical exaggerations, said that the important thing is not to know grammar but to know what to say. At the other extreme, a certain advertising expert has maintained that, "the important thing is not that the words mean something, but that they sound O.K." The truth is that it is as important to know how to say something as to know what to say; grammar and syntax help to conceive things more clearly. The meaning of the expression is as important as its beauty; moreover, this may help to transmit it and understand it better.

“Success but not happiness”

The speech used in history and the social sciences now poses some problems that oblige us to clarify everything that we formerly took for granted. The changes in the historical-social method have strong ties with reality. In the last twenty years the most outstanding changes have been:

1. The increasing importance of the study of complex organizations which has achieved new technological and political combinations
2. The recognition of the importance of ethnic groups and other minorities
3. Changes corresponding to the triumph of neoliberalism and transnational capitalism over "real socialism", whose collapse embraces the methods the concepts and even the vocabulary of Marxism-Leninism
4. The rediscovery of mediations (such as the market), social ones (such as grass roots movements), political ones (such as democracy) and cultural ones (such as advertising as a socialization of dreams)

Another change is the growing conception of society as a world, of the history of the world as a global system. New ideas are also being developed on the trends or direction of history, in which the straight line is not always the shortest distance between two points.

The theory and methodology of progress, which was implicit in the projects for the liberation of peoples and "real socialism", has given way to those of cycles and spirals, and to the search for alternatives to survival posed by *perestroika*, with greater attention given to the defeat of socialism than to the forces for a new history.

In relation to the world of projects and tendencies Montesquieu's maxim that "the world of intelligence is far from being governed by physics, since the world of intelligence may make mistakes" has proved to function in the exact opposite sense in one regard: determinism in the

social sciences has relatively different characteristics precisely because the world of intelligence can study and correct its mistakes, and thereby improve its decision-making processes and strategies.

The determinism of the late 20th century is very different from that of the 19th, due not only to long-term global changes but to other more recent ones taking place in organized subgroups of society in unprecedented positions of strength; but there has also developed a capacity for response, from cybernetics and systems analysis, that improves as it masters its mistakes. To ignore this is to be unable to understand the historical process of today.


Unfortunately, the intelligent organizations that have triumphed in these last twenty years, far from solving the problems of exploitation, polarization and repression of the majority of mankind, have accentuated them. As Habermas would say, "they achieved success, but not happiness, or only partial success that leaves us in a world that will probably go down in systemic chaos."

During these last two decades, at the same time that the technologically more advanced countries' intelligent organizations were being developed and perfected, the exploitation of the periphery was spreading and accentuating. Exploitation increased, marginalization grew apace and repression was the lot of the majority of mankind.

This left the social sciences with a question about new methods of study and struggle to prevent an ecocide that will become inevitable if the trends of the last ten years continue, and if the industrialized countries continue to transfer enormous quantities of resources at the expense of the ex-colonial or dependent countries.

“We cannot rest on our laurels”

This challenge places the question of methodology on a new plane. It can lead to the study of determinism in the light of the "constraints of the system", with its different degrees of freedom and with the alternatives contained therein, so as to arrive at or impose new values for the Modern Age - freedom, equality and fraternity - through democratic regimes that respect individual, collective and social rights, linking the intelligent organizations to the interests and forces of the majority of mankind.

This is the responsibility of all of us; in commemoration of the 20th anniversary of the CCH, my aim was to speak about the present so that we may think about our responsibility toward the future, both in teaching and research 

U.S. studies in Mexico¹

Mónica Vereá Campos*

The United States, one of the decisive forces in shaping the present day world, is a nation that has created very distinctive interests and values, and transmitted them to different parts of the world. Many times these have run counter to those of other nations. However, it is undeniable that in spite of the attempt of many countries to defend themselves through ideological barriers intended to minimize the contamination of their culture, a great number of nations have been affected or influenced by the United States, and have been obliged to assume definite positions vis-à-vis American political and cultural pressure.

Although this is true in the case of a great number of nations, it is particularly so for Mexico, a country with a different culture and level of development that shares a common border of over 3,000 kilometers with the United States.

It is important to stress the fact that Mexico forms part of what has been called the area of U.S. influence and national security. It is, therefore, obvious that a good many U.S. interests in Mexico will continue to be of significance for our society. Suffice it to recall that during the process of nation-building in both countries, U.S. domestic problems had a decisive effect in shaping our national territory, and the Mexicans' sense of nationality.

Our common border is an inevitable geo-political reality and makes for an enormous number of areas of interaction, interdependence and real and potential conflict. The growing importance of such interactions has made it essential to promote scientific, systematic and up-to-date studies on the international dynamics of the United States.

If we add that, during the last few years, more actors have come onto the scene in this increasingly difficult and complex relationship, producing an even greater interaction and interrelationship and, consequently, more integration between the two nations, this study becomes even more urgent. The ever-increasing complexity in the relationship has given rise to completely unprecedented situations and

has made the differences in perceptions and points of view even more accentuated. Often our points of view are in contradiction with each other.

I am convinced that the systematization of U.S. studies will gradually help to do away with the mistaken ideas which, in many cases, arise from our lack of knowledge so that we will be able to see our neighbors objectively and without bias.

Knowing and studying the United States in depth and detail will be instrumental in providing us with the knowledge to create a framework for orienting our bilateral relations. That is to say, to know what position to adopt vis-à-vis our neighbor, how to respond properly to his initiatives and the best way of negotiating without harming our national interests. However, there is a widespread lack of understanding about the internal dynamics of the United States, and only a handful of people who have an objective and systematic knowledge of what the USA is really like.

In spite of the fact that, since the 1960's, several academic institutions aware of this need have set up research centers devoted to studying the USA from different standpoints, there are still not enough of them, nor are they in proportion to the magnitude of the problem.

It is only fair to mention that in various universities, institutes and centers, projects have been developed—in most cases uni-disciplinary—to analyze aspects of U.S. life or the bilateral relationship. Programs such as The Working Group on Border Studies at the University of Baja California's Institute for Social Research; the Permanent Seminar on Chicano and Border Studies at the National Institute of Anthropology and History. In the Science and Humanities Division of the Autonomous Metropolitan University-Azcapotzalco there is a small research group dedicated to the study of migration and border problems; in 1979 *El Colegio de México* set up its Mexican-U.S. Border Studies Program, which was later decentralized and gave rise to the Northern Mexico Center for Border Studies in Tijuana. Furthermore, in 1984 The Center for Research and Teaching of Economics (CIDE) established its Regional Studies Program, some of its members devoting themselves to an interdisciplinary analysis of the northern border area. In Cuernavaca, the Interamerican Research Center studies U.S. history and the impact of the *bracero* system. On top of this there are many other programs, most of all uni-disciplinary or regional, at several other academic institutions.

¹ This article contains updated information from the previously published *Estados Unidos: Sociedad, Cultura y Educación, Centro de Investigaciones sobre Estados Unidos de América (CISEUA)*, UNAM, 1ª edición, Mexico 1991, pp. 169-177.

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The case of the National University of Mexico is unique because in addition to its centers and master's degree project formally set up for studying the United States, to which I shall refer later on, there are still other far-reaching efforts that have been made in several of its sections.

There are regional studies on socio-cultural issues in The Center for Studies on National Identity in the Border Area; The Center for Foreign Students has disseminated knowledge about the Chicano community.

The Faculty of Political and Social Sciences has courses on U.S. foreign and domestic policy and others on the bilateral relationship; the American Studies department in The Center for Political Studies, part of the same Faculty, has done studies of U.S. domestic policy.

In the Faculty of Philosophy and Literature, there are courses on United States History and, in the Institute for Historical Research there are numerous researchers well known for their work on different periods of U.S. history.

Finally, there are the Institute for Economic Research and the Faculty of Economics dedicated to the study of and research on U.S. economic issues.

There are also other academic efforts in other sections of the UNAM on this particular subject, but I have mentioned only these few because they are the ones which have formally established permanent study and research projects.

The centers and institutes with research and teaching programs that have been institutionalized in Mexico thus far with the object of studying the United States can be summed up as follows.

The first such effort was made by the UNAM itself, when the Faculty of Philosophy and Literature set up its Center for Anglo-American Studies. The teachers and researchers in this center work academically and took part in publishing its magazine, *Anglia*.

For various political and ideological reasons, this center was disbanded in 1974, after eight years of existence. It is notable that ten years later the UNAM once again attempted to establish a center dedicated to the study of the United States under the Justo Sierra Program, although it was cancelled after only sixteen weeks.

At about the same time, an Institute for U.S. Studies was set up in The Center for Research and Teaching of Economics (CIDE), the main objective being to study U.S. domestic and foreign policy and the American economy from a Latin American standpoint. CIDE has published a large number of books and periodicals, principally on Latin American perceptions of the different aspects of the United States.

In the late seventies, The Center for Third World Economic and Social Studies (CEESTEM) set up a small

research center on Mexican-U.S. relations. However, this too was closed several years later.

In *El Colegio de México*, a group of researchers from The Center for International Studies' Mexican-U.S. Studies Program devoted themselves to analyzing certain aspects of the bilateral relationship. This resulted in the publication of its prestigious Mexico-United States Collection. It also maintains a well-endowed Documentation Center in this area.

In the eighties, the National University of Mexico created the Master's Degree Course in Mexican-U.S. Studies in the ENEP Acatlán. Its first students started in January 1984. The main objective of this multidisciplinary program is to train professionals to understand, analyze and evaluate the political, economic, legal, social and cultural aspects of the bilateral relationship.

The José María Luis Mora Research Institute, which was set up in Mexico City to carry out historical studies, has a department devoted to American history. This program recently produced a well-documented compendium on U.S. history.

In mid 1986, the Latin American Institute for Transnational Studies (ILET) established a department known as the U.S. Studies Program. However, this program was discontinued in early 1990.

During the 1980's, some academic institutions in the provinces opened research centers dedicated to American studies. Thus, in Tijuana, the Northern Border College (COLEF) was set up as a decentralization alternative—it should be recalled that it originated at *El Colegio de México* within its Border Studies Program, and, very rightly, devoted itself to studying the Northern Border in the border region itself. In researching different aspects of the area, it offers a master's degree program in Regional Studies and has recently established a Department of U.S. Studies, with the object of analyzing the economic, social and political aspects at the national and regional level.

Likewise, in the University of Guadalajara a Mexican-American studies program was initiated, dedicated principally to the study of migration.

In the late eighties, in Cholula, Puebla, The University of the Americas started a master's degree course in U.S. Studies. This interdisciplinary master's degree aims to prepare professionals trained to analyze the historical, political, social and cultural aspects of the United States and their impact on other countries.

In 1989, the UNAM approved the opening of The Center for Research on the United States (CISEUA), one of the purposes of which is to act as a link for the human resources scattered throughout the schools, institutes, faculties and centers of the University and to bring together

researchers from different disciplines in a common academic project to which I will refer later.

The Autonomous Technological Institute of Monterrey has recently opened, in September 1990, a diploma course on Mexican-U.S. relations. In conjunction with George Bush's visit to Monterrey in February 1991 President Carlos Salinas inaugurated The Center for Strategic Studies on the United States of the TEC. Finally, the University of Colima established in September 1991 a master's degree program in American studies.

In spite of the efforts made by these many programs, neither the number of institutions nor the systematization in the study of the United States and its relationship with Mexico correspond to the increasing importance of the subject.

Our center, The CISEUA, far from duplicating what has been done in other academic institutions, has a particular potential for playing a key role in the institutionalization of American studies, by virtue of its inter- and multidisciplinary nature, and the plurality of the ideologies represented in it. The Center, unlike those mentioned above, has certain characteristics that are worthwhile to stress:

- a) It carries out multidisciplinary research. There are few centers in which historians, economists, political scientists, experts in international relations, sociologists, jurists and anthropologists study the same subject
- b) The level of instruction, particularly the master's degree course in Mexican-U.S. Studies, is greatly enriched by research being done from the point of view of Mexican interests
- c) The capacity to call on an enormous number of professors and students from different undergraduate, master's degree and doctorate programs in practically all the available disciplines of study and to organize any type of academic activity, is an incomparable advantage that, at this moment, other institutions cannot duplicate
- d) Its contribution to making the large university population aware, through its publications and the many academic activities it organizes at The Center, is an important achievement and remains an ongoing challenge

The Center's academic activities are divided into three departments to which the different researchers are assigned, the department on the United States, the

department on the United States in the international context and the important department on Mexican-U.S. relations.

Likewise, our recent commitment to integrate the English language magazine *Voices of Mexico* into The Center represents a challenge and an opportunity to express from our perspective -our North American reality- the different aspects of the relation between the United States and Mexico, including the diverse queries about Mexico and Latin America in general that we consider of interest to foreign readers.

We are now faced with a different Mexico which, although more "open" economically, not only presents various new problems that have to be faced, but also many very advantageous possibilities for its future development. We are well aware that Mexico has suffered disadvantages stemming from its proximity to the United States and has not known sufficiently how to make the best use of the advantages offered by this proximity.

The academic analysis of these new relations springing up requires new research plans, leading perhaps to different answers and solutions that, without discarding the riches of past experience, offer a restatement of strategies, positions and responses that are appropriate to the new reality we share with our neighbor to the north.

Therefore, an essential element in the analyses carried out in The Center is the attempt to overcome the two extreme positions into which the majority of studies on this subject have fallen: on the one hand, the visceral rejection of everything that has to do with the United States and, on the other, the panacea of total Mexican integration with the United States.

I believe that it is very important to overcome partial, subjective and even passionate approaches. There should be objectivity in our analysis of the United States and its relationship with the world, especially with Mexico, without claiming that our bilateral and national problems will automatically be solved. However, in the course of time and with an organized and persistent effort in the direction indicated, we may contribute new approaches and perspectives based on solid analyses of the United States which bring new elements and judgements, and serve as the basis for better relations, in both qualitative and quantitative terms, something that will be of obvious benefit to both our countries **M**

Reviews

Mexican history comes alive

Historias de Edmundo Flores
Autobiografía 1919-1950
 Martín Casillas Editores

Antesalas del Poder
Historias de Edmundo Flores
Volumen II
Autobiografía 1950-1973
 Editorial Posada, 1986

Antesalas del Poder 2
Historias de Edmundo Flores
Volumen III
Autobiografía 1973-1976
 Editorial Posada, 1990

Daniel Cosío Villegas, distinguished scholar and historian, observed in the prologue of his memoirs (1976) that Mexicans are not inclined to write autobiographies. Cosío Villegas is right. Few Mexicans publish their memoirs and when they do, they limit themselves to political and bureaucratic affairs. A notable exception is José Vasconcelos' remarkable four volume autobiography, *Ulises Criollo* (1936-1939). Vasconcelos was a gifted writer who participated passionately in the aftermath of the Mexican Revolution.

Another notable, and contemporary, exception is Edmundo Flores, born in 1918, a self-made man with advanced academic degrees, several books to his name and several divorces. He has written an autobiography in three

volumes and threatens to write a fourth. Eight years ago, Flores published the first volume: *Historias de Edmundo Flores. Autobiografía, 1919-1950*. Three years later, a second volume followed, *Antesalas del Poder, 1950-1973*, and again, three years later, a third volume, *Antesalas del Poder 2, 1972-1976*, was published. Flores writes about his life, his peers and surroundings without pulling any punches. He documents childhood in a lower middle class home. His beautiful, young mother was single, something which at that time was far from fashionable.

Early in life he decides to explore and tries to understand the world he was born into. He reads voraciously, and he does well in school. Raised a Roman Catholic, he turned to Marxism and the Communist Party during the presidency of Lázaro Cárdenas, and later, in his Wisconsin days, he dismissed ideology altogether.

An agronomist who earned his Ph.D. in Agricultural Economics at the University of Wisconsin in 1948, he had learned English like a native, but kept an accent. He taught agricultural economics and economic development at several American and Latin American universities. Flores was also deeply involved with land reform in Bolivia and elsewhere in Latin America. He leads a stormy emotional life: five marriages plus liaisons with many beautiful, bright women along the way.

In 1973 he was appointed Mexico's Permanent Representative

to the Food and Agriculture Organization (FAO) in Rome by President Luis Echeverría. In 1975 he was named Mexico's Ambassador to Cuba, a very sensitive post in his country's foreign policy.

When José López Portillo launched his presidential campaign in 1976, Flores accompanied him throughout the country. After the election, President López Portillo appointed him Scientific Advisor to the President and Director General of the National Council of Science and Technology (CONACYT), a post with cabinet rank. In this fashion, he became the man in charge of the development of science and technology in Mexico -the most formidable limiting factor for his country's development. When López Portillo's term in office ended in 1982, he left CONACYT and went back to teaching.

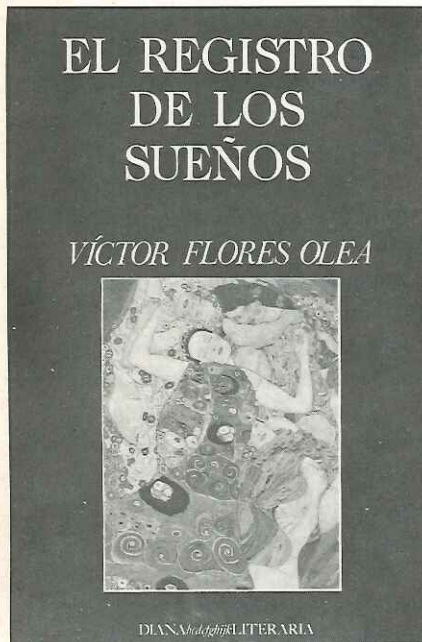
Antesalas del Poder translates into "Corridors of Power". In his autobiography, Flores combines his fascination with ruthless, demanding and utterly absorbing politics, which he calls "the ultimate game," with a deeply ingrained drive to read everything and write his thoughts and perceptions.

Flores writes about his times and his generation with erudition, insight, irreverence and a sense of humor. All three autobiographical books are well worth reading for people interested in politics, development and women in contemporary Mexico.

Mirtha Campillo
 CISEUA, UNAM.

Register of dreams

Víctor Flores Olea
 El Registro de los Sueños
 Diana Literaria
 Mexico, 1990. 139pp.



Story-tellers and photographers know that the universe we live in is complex, not simple: every instant captured and every scene described may branch off in countless directions. The photographer, when capturing an instant on film, focuses the passing of time and opens up the prospect of a different one. In this sense, photography rebels against the laws governing our world. The closed sphere exposed by a photograph upsets the flow of time, the image of an instant becomes poetry.

The narrator, on the other hand, uses elements of the surrounding universe to build fragile creations. Characters may well be inspired by reality, but when they become words,

they are trapped into a fictional imaginary world, distinct from the original reality. Both the photographer and the story-teller destroy time as we know it; one through immobility, the other through fiction.

Víctor Flores Olea combines languages that seemed to be mutually exclusive. His photography book, *Meetings* (Fondo de Cultural Económica, 1984) explored the potential of the world of frozen time. In *Register of Dreams* he embarks on an inquiry into conjectural universes, the hypothetical genre of fiction.

Like all collections of short stories, *Register of Dreams* is varied. Each tale is subject to its own logic and internal coherence. Flores Olea has integrated into his literary style the sensitivity of the photographer. Every character and every scene is described with rapid, accurate images. Every word is placed with the precision of a camera shot.

Flores Olea's interest in the visual world is manifest. For example, in "The Revelation" we meet an obsessed man who watches the video of his surgery over and over until he detects a surgeon's mistake, which leads to his death. In "The Stranger of Santa Cruz" we witness the obsession of a woman who falls in love at first sight with a man she will only see once more.

Like many good modern artists, Flores Olea also pays homage to objects and the world of fetishes where, for example, a woman's apparel can take on a vast importance. A woman's coat with a boa constrictor collar plays an important role in the story "Meetings" as does the red gauze garment covering Leda's body in the title-story. In the story "The Fragrance of an Impossible Love", it is Bolívar's revolver that is

the main character. Flores Olea knows, as Nabokov and Italo Calvino, that elements that build a story are as essential as the characters themselves.

The characters in this book often act out dramas that culminate in decisive moments. "The Glories of Dawn" and "Meetings" build up to a single critical moment. In the first, it is an overdue confrontation, and in the second the unreal moment of Víctor Floriz's death, anticipated by a poster he had seen twenty-four hours earlier.

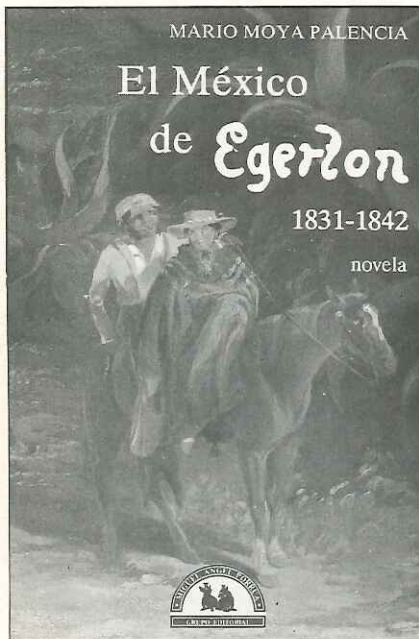
One should stress the wide range of settings that Flores Olea explores: from rural countryside and small towns to large cities. His pen captures the world of village pubs, cafes, bars and inns. The story that gives the book its title, *Register of Dreams*, is assuredly the most complex. The nostalgic presentation of Mexico City's night life in the fifties depicts dens of iniquity, tenements and popular idols.

According to Borges and quantum physics, the universe is apt to branch off in different directions. When we choose one, we cancel other possibilities. In one world, Borges is a writer, in another, a scientist who explores elementary particles. Keeping within this format, we might suggest that in one universe, Víctor Flores Olea is the photographer-author of the book "Meetings", and in another he is the author of the book of short stories *Register of Dreams*. A mystical event has meshed both into one. The photographer seeking chance encounters in villages and towns and the writer creating fiction and redesigning time have crossed the mirror that divided them and shook hands. Now they are one and the same person.

Mauricio Molina
 Staff writer.

Egerton's Mexico

Mario Moya Palencia
El México de Egerton
 Miguel Angel Porrúa
 México, 1991



The current surge in the amount of historical fiction in Mexico and in Latin America reflects a growing interest in the past. Recent work, such as novels by Carlos Fuentes (*The Campaign*), Fernando del Paso (*News from the Empire*) and Gabriel García Márquez (*The General in his Labyrinth*) reveal a concern with reconstructing our history, while searching for the essence of our identity as Latin Americans.

As we approach the Quincentennial, the time to "retell" our real history and not to simply review official and academic versions approaches. Historical novels allow us to learn about our past and identify with our heritage in an enjoyable

fashion. The genre demands that authors be historians and poets at the same time, since both knowledge and imagination are essential ingredients for success.

El México de Egerton (Egerton's Mexico) by Mario Moya Palencia examines one of the most mysterious events in nineteenth century Mexico: the brutal murder of the English landscape artist Daniel Thomas Egerton and his mistress, Agnes Edwards, on April 27, 1842. Egerton, author of *Views of Mexico*, lived in Mexico from 1831 to 1836, and upon his return to London he exhibited more than a hundred sanguine drawings he had done in Mexico.

Like Egerton, other artists visited Mexico during that period, such as Claudio Linati, who introduced lithography, Mauricio Ruguendas (or John Stephens), and Catherwood and Baron Friedrichsal, who brought photography to Mexico.

Moya Palencia uses Brian Nissen, a contemporary British artist, as the character who investigates the crime committed by a group of bandits, and meticulously reconstructs its development at *La Pila Vieja* (the old trough) on the way to the village of Nonoalco.

The detailed description of mid-nineteenth century Mexico, in depth research and the author's dry but poetic style make this book an absolute *tour de force* for understanding one of the periods least dealt with by our literature: the Santa Ana dictatorship. The period is unquestionably one of the most conflictive times in our history, rich in political and social significance.

The novel weaves realism, history, suspense and criminal investigation together. *Egerton's*

Mexico places us within the world of espionage in the midst of the Texas rebellion, under the weight of Santa Ana's iron rule, and in the atmosphere in which the double murder of Egerton and his lover, Agnes Edwards, created an enormous scandal.

In 1842 Mexico was an extremely violent place. Travel was threatened continually by bandits, such as those described by Manuel Payno in his novel, *Los bandidos de Río Frío* (The bandits of Río Frío), or Fanny Calderón de la Barca's *Life in Mexico*. Chaos, corruption and poverty were par for the course.

Moya's technique of switching between the present and the past creates a steady sense of counterpoint. He uses details effectively to build his plot: Egerton's astrological chart (Aries-Gemini), the bite mark on Agnes' belly and a guitar found on one of the murderers are a few of the gems he uses.

Egerton's Mexico reconstructs a real incident, speculates politically and develops a historical view, exhibiting the author's literary brilliance and historical knowledge. It might be compared to Fernando del Paso's novel about the period of the French Empire in Mexico or to Carlos Fuentes political novel *The Campaign*. Moya's bibliography is impressive, the evidence of in depth research, a vital component of any good historical novel.

Egerton's Mexico announces the arrival on the scene of a writer who can handle history and prose exquisitely without relinquishing the primary function of the novel, which is to amuse the reader, in the best sense of the word **M**

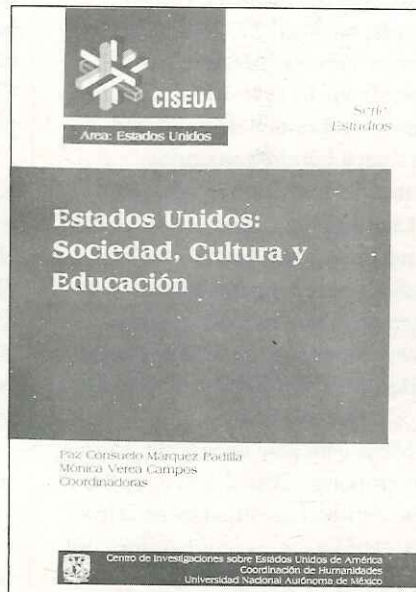
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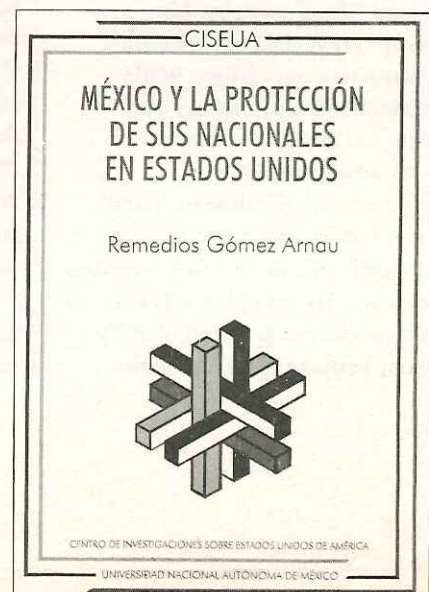
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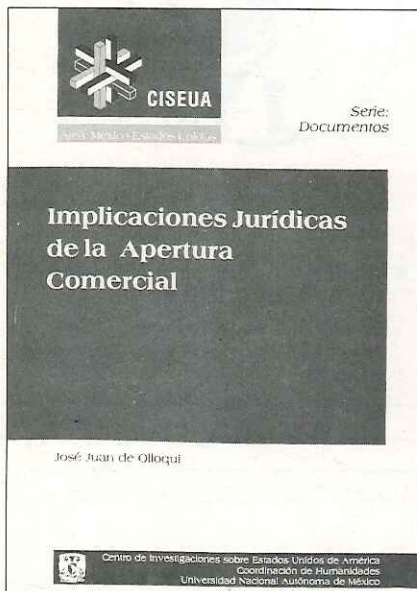
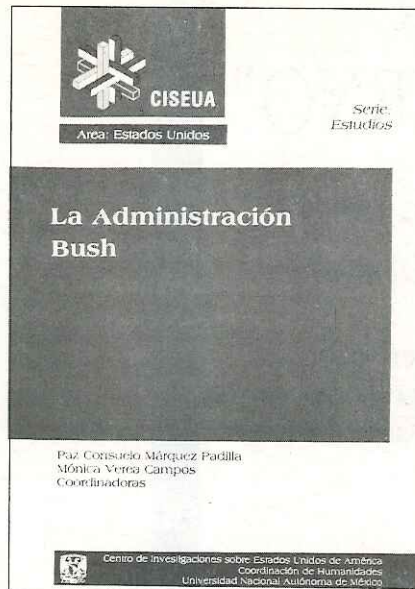
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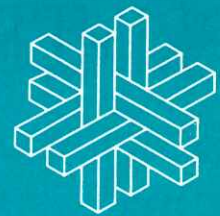
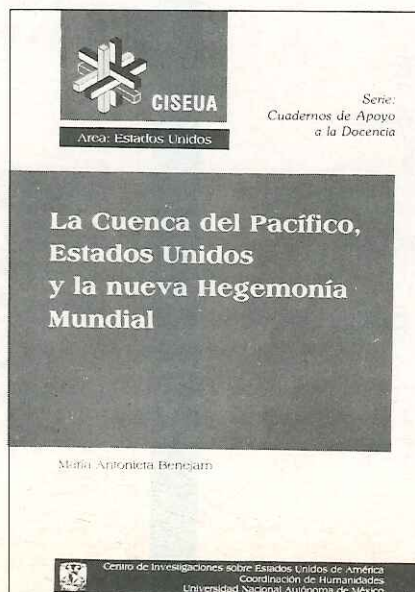
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De Olloqui, José Juan

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Benejam, María Antonieta
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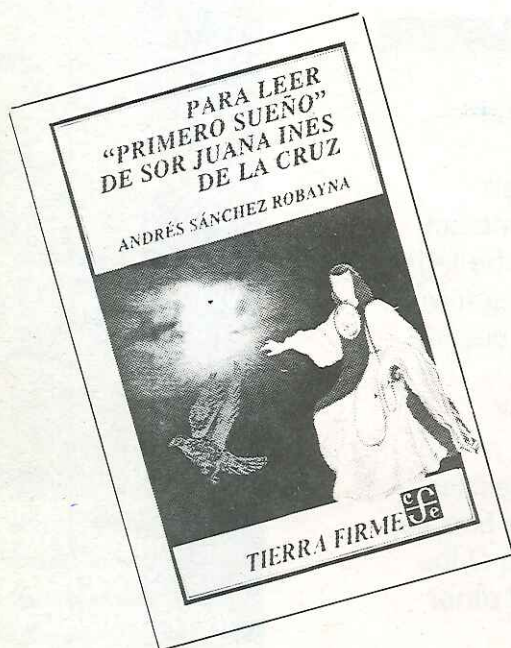


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