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Photograph by Tachi. Vessel representing a mythic scene.Mayan. Mayapán, Yucatán. Clay.
18.5 x 17.5 x 22 cm. Yucatán Regional Museum of Anthropology, "Canton Palace."

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Alberto de Lachica

Cover & Back Cover

Ramón Alva de la Canal, two details of the mural *The Life of Morelos*, 1935.
Photos: Elsie Montiel.

Contents

Our Voice

The current international situation is dominated by trends that were thought to have faded with the end of the Cold War. The United States has gone from playing a protectionist role mainly on economic issues to reinforcing its isolationist policy since the 9/11 attacks. This has been bolstered through mechanisms that strengthen the so-called National State of Security. One of these mechanisms has been the implementation of "preventive war," actually quite an old foreign policy instrument in the U.S. diplomatic tradition.

In that sense, and in the context of the imposition in international relations of hegemonic national security criteria —today beginning to be called "securitization"— the following elements have been involved: a) the notion of cooperative security; b) prevention as a long-term concept and policy instrument; c) the return to a predominantly hegemonic international climate instead of a balance of powers which dominated in the bipolar era —this is the origin of the question of whether hegemony is the same as world stability; d) the real —and legitimate?— room for manoeuver that the democratic system has for implementing preventive wars; e) the impact that these wars have on democratic governability, on the integrity of democratic institutions, on the interests and rights of civil society, which seems to be reacting in a new way to the doubtful consensus underlying this state of war; and, lastly, f) the meaning that all this has and will have (mainly because of the invasion of Iraq) with regard to the current organization of the United Nations and the future of multilateralism.

The state of national security implemented by the United States is an important return to policies that dominated the Cold War: it emphasizes the principle of the defense of security over and above other, certainly more dynamic issues of international relations. In effect, it is possible to see that these policies are frankly reemerging and the question is, how much will they affect individual freedoms and bilateral and multilateral relations among nations?

We must determine whether "securitized" democracy is institutionalizing uncertainty, contrary to its purpose, and therefore, through real and potential military intervention, changing the free market economy and the process of integration so arduously established by Washington for more than a decade. In this sense, it is pertinent to ask to what degree the sovereignty of countries and international trade and, of course, migratory flows from South to North, have been affected.

We can observe a tendency to unify the codes that international relations are based on. What is more, a repositioning of the "reason of state" is visible, and not of the rule of law, through the progress of a new process of "territorialization" implemented by the United States. Given this dichotomy between uniformity and diversity, there is a need to achieve a distinctive dimensioning of every security problem in different countries in the framework of international and inter-American relations. It is also necessary to identify the common issues regarding sustainability as a central factor of inter-American security.

Given Washington's impulse to consolidate an "integral security" policy that would aim to dominate the specter of security defense strategies in Latin America, it is necessary to elucidate the matter of identity in the framework of the problem of security: this identity would presuppose accepting the idea that there is a cohesive body of actors in the Americas and a consistent group of common problems. Or perhaps we have, rather, a dominant concept of security, which has not found itself yet (at the expense of security itself, democracy and economic development).

This new narrative of world power is also a confrontation of paradigms that has an impact on the limits of certain fundamental accords still to be achieved in Latin America. In any case, what is noteworthy is that there are no rules for playing the game or even for picking the game you want to play. That is perhaps the most critical challenge that we would have to discuss in the new framework of international relations prevalent today: Can we, in the framework of our efforts to achieve accords and common objectives, define these rules and strengthen the link between domestic institutions (that need to be modernized) and already

existing ones in the regional and international sphere? Only if this is the case will the doctrine of preventive security (and the perverse and critical association that begins to appear in the world between terrorism and democracy) not represent a dead weight (that can be added to other delays in our economic and social development) or an impediment for the advancement of economic and democratic processes in the hemisphere.

* * *

It is precisely from the broad sphere of national security that famed Harvard political scientist Samuel Huntington warns about a new threat for U.S. stability in his polemical article "The Hispanic Challenge." In it he catalogues Hispanics, and Mexicans in particular, as the force that could affect and eventually dilute American identity, and therefore, as a danger for U.S. cultural and political institutions. In our "Mexico-U.S. Relations" section, Leonardo Curzio and I fully answer what without exaggeration we can call Huntington's xenophobic, not to mention racist, position. Hispanics and minorities in general, will undoubtedly be key in the next presidential election, in which not only very important domestic issues are at stake like social security and migration, but two different conceptions of foreign policy also face off, giving this electoral process a supra-national dimension. Together with my co-author, María Fernanda Valencia, we deal with this issue in "United States Affairs." In both sections, we also include other contributions about the matters that will undoubtedly have an influence in November's balloting, and therefore, in bilateral Mexico-U.S. relations. Rodolfo Hernández writes about the need to make health policy, medical attention and hospital care jibe on both sides of the border as the only way to reduce the region's high disease rates. Ignacio Perrotini contributes an article about another issue of undeniable interest for the elections: the U.S. fiscal deficit, generated during the Bush administration that may have unpredictable implications for world economic stability. Also in "United States Affairs," Miguel García Reyes offers the second part of his work on energy and geopolitics in the region, concentrating on Washington's strategies to achieve pan-American energy integration. The strategic importance of water, particularly for human consumption, is increasingly clear. In "Canadian Issues" we present an article by Delia Montero about water in Quebec, one of the world's most important reserves.

Mexico will also hold elections this year in 14 different states. For this reason, in "Politics" we present an article by Gustavo Emmerich, looking at the different parties' and candidates' prospects, based on a diligent analysis of the political context of each state involved. On the national scene, in this issue we begin a series of articles about the internal currents in each of the three main political parties as they prepare for the 2006 presidential elections. The first is about the Party of the Democratic Revolution, whose future is certainly dark given the recent unfortunate corruption scandals involving several of its most outstanding members, and which can only be saved, as analyst Esperanza Palma tells us, if it finally starts down the path of institutionalization and restructuring and decides to stop depending on the patrimonialist, populist traditions of some of its leaders. We conclude this section with a contribution by Mexican ambassador Rosario Green, who alerts us about how economic deterioration, the corruption of the governing classes and the retreat of social development have reduced public trust in the democracies of Latin America, most of them incipient.

According to economist Gerardo Bracho, the impact of China on the international economy is irreversible; we will have to live with it from now on. The Mexican answer has been rather weak, which is why now is the time to question the forms of trade diversification that have been followed and that have not significantly contributed to our participation in international markets, in order to seek out structural solutions in their stead. This is why we also include in the "Economy" section a contribution from Fernando Butler about the thorny matter of Mexico's fiscal system; almost everyone agrees that its reform, of one kind or another, can no longer be postponed, which is why the only alternative is to wait for the recently launched National Fiscal Convention to begin to bear fruit and build consensuses. Anything else would be disastrous for the country. The reduction of Mexican exports, the U.S. recession and the lack of political accords which translate into paralysis of the government are three factors that have had an impact on the unprecedented increase in unemployment in Mexico during the first three years of the Fox administration.

In our "Society" section, Francisco Javier Aguilar García writes on this topic, finding the causes of this trend in recent governments' —not only Vicente Fox's— adherence to orthodox neoliberal economic formulas, in weakening workers' organization and the enormous drop in union clout.

* * *

For our "Art and Culture" and "The Splendor of Mexico" sections, in this issue, we went to Michoacán, a state both rich and diverse in culture and art. We began our journey with a visit to the island of Cuitzeo, in an article by artist América Gabrielle about the impressive statue of Morelos, the interior of which is covered with a pictorial treasure from the brush of one of the great —although not widely renowned— geniuses of Mexican muralism, Ramón Alva de la Canal. We also present the work of three of the state's most important contemporary painters: Jesús Escalera, Luis Palomares and Gerónimo Mateo, who, in addition to their canvases, reveal their intentions and motivations in interviews with critic and art dealer Ariel Ruíz Magaña. We continue with a look at Michoacán's fairs by expert Zulema Carrillo, who offers both practical and cultural knowledge of the topic. Chronicler Francisco Javier Tavera delights with a brisk walk through the streets, churches and buildings of traditional Morelia, while the delicate prose of historian Jaime Abundis brings us the architectural beauty of the seventeenth-century lake-district monasteries, describing the weight that three of the most important (those in the towns of Yuriria, Cuitzeo and Copándaro) had in the spiritual conquest of New Spain. From there, we go to the unequaled beauty and magic of Pátzcuaro Lake. Native-born writers Alberto de Lachica and Miguel Monje reveal its most intimate secrets, showing us the hidden marvels of the towns and villages of its coast.

Our travels through this state of great artists continues in "Museums." This section offers an article by Juan Manuel Pérez Morelos about the Alfredo Zalce Contemporary Art Museum, named after the painter considered by many to be the greatest Michoacán artist of all time. Our expedition concludes in the "Ecology" section with an interesting contribution from Josefina Cendejas about deforestation in Michoacán. Both an alert and a proposal, the author sees the direct involvement of local communities in the conceptualization of the problems and finding solutions as the only way out of the dilemmas of deforestation.

Our "Literature" section is dedicated to an homage to the work of Juan García Ponce, one of Mexico's most renowned and emblematic, but also polemical, twentieth-century men of letters. More than a writer, he is a painter of erotic novels and short stories, understanding Eros as the relationship between bodies and spirits in their many possible combination of threesomes, foursomes, sixsomes....García Ponce's narrative cannot be circumscribed. Describing complex situations and exploring psychological motivations, it is literature of the emotions, whose intention is to make the reader feel more than think. This contrasts with García Ponce, the essayist, concerned with the eternal issues of philosophy like life, death and love, and at the same time reflecting constantly on the writers who have had an influence on him, from Thomas Mann and Robert Musil to Pierre Klossowsky, Jorge Luis Borges or Georges Bataille.

For all these reasons, we have invited five authors who, in addition to being recognized men and women of letters, writers or critics, were also very close to García Ponce at some time in his life. Hernán Lara Zavala, Graciela Martínez-Zalce, Adolfo Castañón, Juan Bruce-Novoa and Huberto Batis have each given us a piece of his/her perception of García Ponce's enormous transcendence.

Late last year, Michoacán-born Luis Gutiérrez y Gutiérrez, historian and well known academic, also passed away. Founder of the Michoacán College, today one of the country's best known research institutions, and the main proponent of the micro-history movement in Mexico, the author of a vast opus, he is the subject of our "In Memoriam" section, with an article by his disciple and colleague Porfirio Miranda. Don Luis will always be remembered by those dedicated to or involved in the noble art of history in Mexico.

José Luis Valdés-Ugalde

Mexico's 2004 Local Elections What to Expect

Gustavo Ernesto Emmerich*

Nelly Salas/Cuartoscuro

Local electoral results are determined mostly by local factors, including the patronage system, although national issues can influence part of the electorate.

In 2004, 14 out of 31 Mexican states will hold local elections. All 14 will entirely renew their legislatures and municipal governments and 10 will elect new governors. The significance of these elections goes far beyond local politics, taking on a truly national character. They will test the relative strength of the political parties at a time when all Mexico is beginning to look ahead to the 2006 presidential elections.

Political Parties and Party System

Mexico shifted gradually but dramatically over the last 15 years from a hegemonic to a pluralist party system. Before 1988, Institutional Revolutionary Party (PRI) electoral and political hegemony was overwhelming. From 1988 on, growing dissatisfaction with PRI dominance along with increasingly fair electoral institutions and laws for political competition helped opposition parties to win governorships, municipal governments and growing numbers of federal and state legislative seats, and finally, in 2000, the presidency.

Mexico's new party system has three layers. The first is made up of three main

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political parties that win a substantial share of the vote and are the only ones holding state governorships and considerable numbers of federal and state legislative seats: the PRI, the National Action Party (PAN) and the Party of the Democratic Revolution (PRD).

The PRI, despite its 2000 presidential defeat, remains the country's biggest party. In the 2003 federal legislative elections, in coalition with the Ecologist Green Party of Mexico (PVEM), it recovered its lead at the polls. In early 2004, it controlled 17 governorships and the greatest number of municipal governments (although not particularly those of the most populated municipalities), and had the biggest caucuses in both chambers of the federal Congress as well as majorities in a good number of state legislatures. The PRI conceives itself as the heir to the social, nationalistic and "redistributionist" values of the Mexican Revolution (1910-1917), although at the end of the 1980s it shifted toward a free-market, free-trade stance. While still in power, persistent economic stagnation and many political and corruption scandals led to a sharp decrease in its popular appeal. Even if the PRI is the only party effectively organized and able to get votes all across the country, its current constituency is composed mainly of older, poorly educated peasants and impoverished urban dwellers, which gives it an edge in the less industrialized and developed states, where part of its electoral appeal stems from patronage-based networks.

The PAN has occupied the presidency since 2000 (its term ends in 2006); nevertheless, today it is only the second most-voted party. It won the 2000 presidential election in a coalition with the PVEM. In the 2003 federal legislative elections, the PAN came in second behind the newly formed coalition between the PRI and the PVEM. At the beginning of 2004, the PAN held nine governorships and a great number of municipal governments (including many of the most populated municipalities), and had the second most numerous caucuses in both federal chambers as well as majorities or at least numerous caucuses in several state legislatures. Founded in 1939, it is based on a mix of Catholic and liberal principles quite similar to that of Christian Democratic parties in other parts of the world. Its constituency is chiefly younger, educated, middle class and urban, giving it an edge in the most industrialized and modernized states. Formerly concentrated in the North, the PAN has tried quite successfully to achieve a truly national presence.

The PRD was founded in 1989 and is the third vote-getter nationwide. At the beginning of 2004, it controlled 5 state houses as well as that of its stronghold, the Federal District (or Mexico City). Its quite varied constituency mainly includes highly educated, urban people of medium age along with peasants and some unionized workers. Lacking a truly national base —it is virtually non-existent in many states, particularly those of central and northern Mexico— the PRD is especially prone to alliances with minor parties. It maintains a social democratic, nationalistic stance, opposing what it calls "neoliberalism," in its view represented by both the PRI and the PAN.

Three parties with much smaller shares of the vote, which control a small number of municipal governments and have just a few federal and state legislative seats, form the party system's second layer. As their seats can be decisive when no major party has a legislative majority of its own, which is the case in both federal chambers and 15 state legislatures, their political clout is much greater than their share of the popular vote would seem to warrant. Additionally, they are sought out by the large parties to forge electoral coalitions when the latter think it will be difficult to win the elections alone. These parties are the PVEM, the Labor Party (PT) and Convergence for Democracy (CD).

The PRI, despite its 2000 presidential defeat, remains the country's biggest party. In the 2003 federal legislative elections, it recovered its lead at the polls.

The PVEM is the fourth most voted party, although way below the three main ones. It shifted from a coalition with the PAN (and against the PRI) in the 2000 presidential election, to a coalition with the PRI (and against the PAN) in the federal legislative races as well as in several state elections held in 2003. Its constituency is mainly young, educated and urban, particularly in Mexico City and surrounding areas. It upholds vague environmental principles.

The PT is the fifth vote-getter. Its small constituency is mainly urban, particularly in the state of Durango and to a lesser extent in and around Mexico City as well as in some other parts

of the northern states. Defined as a socialist party, for ideological reasons the PT tends to coalesce with the PRD but, circumstances demanding, it sees no problem in making a coalition with the PRI or even —occasionally and in multi-party groupings— the PAN.

Convergence for Democracy is the newest and sixth most-voted party, with presence mainly in the states of Veracruz and Oaxaca. It is basically a center-left spin-off from the PRI. In the 2000 presidential election, it ran in a coalition with the PRD.

Besides the six national registered parties, a few local parties run exclusively in their respective state elections getting only a few votes and in the best of cases winning a couple of municipalities and state legislative seats each; these groups form the party system's third layer.

The 2004 Local Elections
Some Perspectives

State elections are held on different dates (see table 1 for the 2004 electoral calendar), according to local legislation. Governors are elected by plurality for six-year terms. State legislatures are fully renewed every three years; about 60 percent of the representatives are elected by plurality by districts and the rest by proportional representation. Similarly, municipal governments, or *ayuntamientos*, are elected every three years; the party with the most votes occupies the mayor's seat and about 60 percent of the seats of the municipal council; the remaining seats are apportioned through proportional representation. In the state of Oaxaca, many municipal governments are chosen using the "customary mechanisms"[2] of their majority indigenous population, rather than through regular elections. Governors cannot be re-elected under any circumstances; lawmakers and members of municipal governments cannot be re-elected for a consecutive term. In each state, an autonomous electoral institute or council organizes the elections and counts the votes; its decisions can be appealed before the state or federal electoral tribunals.

Local electoral results are determined mostly by local factors, including the patronage system, although national issues can influence part of the electorate. Usually, local elections are considered a sort of referendum on the current governor's performance. When a governorship is at stake, the gubernatorial race takes the lead vis-á-vis simultaneous campaigns for the legis-

Table 1
2004 Local Electoral Calendar

STATE	DEPUTIES SEATS		MUNICIPALITIES	GOVERNOR	DATE
	BY PLURALITY	BY PROPORTIONAL REPRESENTATION			
Yucatán	15	10	106	No	June 20
Chihuahua	22	11	67	Yes	July 4
Durango	15	10	39	Yes	July 4
Zacatecas	18	12	57	Yes	July 4
Baja California	16	9	5	No	July 4
Aguascalientes	18	9	11	Yes	August 1
Oaxaca	25	17	570*	Yes	August 1**
Veracruz	24	21	210	Yes	September 15
Tamaulipas	19	13	43	Yes	October 3
Chiapas	24	16	118	No	October 17
Michoacán	24	16	113	No	November 14
Puebla	26	13	217	Yes	November 14
Sinaloa	24	16	18	Yes	November 14
Tlaxcala	19	13	60	Yes	November 14

* 418 by customary mechanisms and 152 by regular elections. [Editor's Note.]
** The elections for Oaxaca municipalities will be held October 17.

lature and city governments. Although all governors have a great influence in state politics, PRI governors in particular are regarded as "political bosses," power and sometimes business brokers deeply interested in keeping their party united for achieving electoral wins. Voter turnout in state elections tends to be extremely low, particularly when the governor's seat is not at stake; a low turnout gives an edge to the party with the best organization, i.e. the PRI, which —although it is forbidden by law— is used to literally carrying "its" voters to the polls in a patronage-system exchange for favors.

In the forthcoming 2004 local elections seven PRI, two PRD and one PAN governors are to be replaced. Arithmetically, it is more probable that the PRI lose governorships than either the PRD or the PAN. Heavy swings in voting, split voting and the division of the vote among the main parties render it difficult for any of them to achieve overwhelming victories. At this writing, it is too early to predict scenarios: most nomination processes and talks for electoral coalitions have not yet begun or are just about to begin. The way the main parties nominate their candidates will probably have an impact on their electoral results: the more open to the public the process is, thus giving their nominee more visibility and legitimacy, the more votes the candidate will probably get. The PRI and the PRD have held primaries in the past and the PAN more recently. However, many times a party prefers to look for a "unity candidate" to avoid splits. Coalitions are of the utmost significance when the main parties seem to be evenly matched. Usually, they are basically coalitions "against" the party already sitting in the governor's office or that at least aim to win some extra city governments and legislative seats; the latter is particularly important in the states in which no party has a legislative majority of its own. Table 2 provides background on the current political situation in each state holding elections in 2004.

Nationwide Political Implications

In Mexico's perennial electoral calendar, 2004 is the year within the 2000-2006 term in which the most governors will be replaced. Thus, the 2004 local elections will deeply affect Mexico's power balance *among* the political parties. In addition, the 2004 elections will also affect the balance of forces *within* each of the three main parties, which at some point during 2005 will choose their candidates for the 2006 presidential elections.

Although local elections have no formal and/or direct influence at the federal level, President Vicente Fox would undoubtedly be glad if one or two more PAN candidates won governors' seats. In addition, if the PAN is able to make some wins, it could use them as proof of renewed popular support for Fox's administration, a support badly needed after the PAN lost the 2003 federal legislative elections. Also, the PAN winning one or more extra governorships could be instrumental in predisposing local voters to weigh in for the PAN in the 2006 presidential elections. A good showing for the PAN could reinforce its more "institutional" hopefuls for the presidential nomination, like the minister of the interior, Santiago Creel, and the minister of energy, Felipe Calderón, among others. On the contrary, a bad showing might force the PAN to rely on nominating President Fox's popular wife, Martha Sahagún, who has been flirting with the idea of running for president.

For its part, the PRI wants to ratify its status as the country's biggest political force. This concretely means holding on to its seven governorships up for election, and if possible, capturing one or two more. If this is indeed achieved by the PRI, it would improve its chances of recovering the presidency in 2006, but might paradoxically complicate its internal rivalries. Current PRI leader Roberto Madrazo, regarded by many a PRI member as the natural presidential candidate for 2006, is far from rallying unanimous internal support. Among Madrazo's rivals for the nomination are some current PRI governors, like Tomás Yarrington of Tamaulipas and Miguel Angel Núñez from Hidalgo (the only two who have explicitly said they intend to run), Miguel Alemán of Veracruz and Arturo Montiel of the State of Mexico. Yarrington's and Alemán's terms end in 2004 and Montiel's in 2005; if they are able to give the PRI a victory in their states, their aspirations for the PRI presidential nomination would be strengthened and Madrazo's weakened.

The PRD boasts among its members the political leader who currently has the highest approval ratings in the whole country: Andrés Manuel López Obrador, the head of the Mexico City government, at present widely seen as a potential winner of the 2006 presidential race. In order to win in 2006, the PRD would need not only a popular candidate like López Obrador, but also to increase its share of the vote in local elections and extend its electoral constituency from the few states in

TABLE 2
BACKGROUND ON LOCAL CURRENT POLITICAL SITUATIONS

States in which PRI governors are to be replaced; the PRI has a legislative majority in all these states

Chihuahua. The main challenger to the PRI would be the PAN, which was in office from 1992 to 1998. A PAN-PRD coalition, which Convergence might join, seems feasible. The PRI will most certainly enter a coalition with the PVEM.

Durango. Predominance of the PRI. The PRD and PT have formed a coalition whose nominee for the governorship was defeated in the PAN nomination process. Since the PAN has nominated its own candidate, a broader opposition-to-the-PRI coalition seems unlikely.

Oaxaca. The PRI's main challenger is Convergence. The latter, the PAN, PRD and PT have agreed to run a common candidate, who most probably would come from Convergence. Municipal and legislative elections will be held two months after the gubernatorial race.[1]

Puebla. Predominance of the PRI; the PAN would be its main opponent.

Sinaloa. The main opponents to the PRI would be the PAN and the PRD.

Tamaulipas. Predominance of the PRI.

Veracruz. The main opponents to the PRI would be the PAN and Convergence. A Convergence–PRD coalition seems likely. The PRI is pretty divided.

[1] At the close of this edition, an assassination attempt was made on the life of Oaxaca Governor José Murat of the PRI. This will muddy the electoral process. [Editor's Note.]

States in which PRD governors are to be replaced; in the two of them, no party has a majority in the legislature

Tlaxcala. The current PRD governor was supported in his bid for office by a multi-party, anti-PRI coalition. His wife is seeking the PRD nomination, thus creating tension inside the PRD. It is unclear whether the anti-PRI coalition will be renewed; in any case, the PRI would be its main opponent.

Zacatecas. Predominance of the PRD. Many PRI members joined the PRD when the current governor led the way a few weeks before being elected.

State in which a PAN governor is to be replaced; no party has a majority in the legislature

Aguascalientes. Predominance of the PAN. PRI and PT have announced in principle an anti-PAN coalition.

States holding only municipal and legislative elections

Baja California. The PAN sits in the governor's office; no party has a majority in the legislature. Predominance of the PAN; the PRI would be its main opponent.

Chiapas. The PRD governor was supported in his bid for office by a multiparty, anti-PRI coalition; the PRI has a majority in the legislature. It is unclear if the anti-PRI coalition will be renewed; in any case, the PRI would be the main opposition contender. Trouble should be expected in the state's area controlled by the rebel Zapatista movement.

Michoacán. The PRD occupies the governor's office; no party has a legislative majority. The PRI and, in some regions, the PAN would be the main opposition to the PRD.

Yucatán. The PAN sits in the governor's office; no party has a majority in the legislature. The main opponents to the PAN would be the PRI, which is seeking a coalition with the PVEM, and a local party, the Alliance for Yucatán.

which it is now concentrated to a truly national level.[3] Meanwhile, the current PRD governor of Zacatecas, Ricardo Monreal, wants to give his party a victory in his state, and so strengthen his own already announced ambitions for the PRD presidential nomination. For his part, the founder and moral leader of the PRD, Cuauhtémoc Cárdenas, has not dismissed the idea of running for president in 2006 for the fourth time.

In the second layer of the party system, the PVEM and the PT would be quite satisfied by just obtaining a few extra municipal governments and legislative seats, and —provided they compete by themselves and not in coalitions— by marginally increasing their respective shares of the vote. This would be equally satisfactory for Convergence for Democracy; this party, however, has serious aspirations to forming coalitions that could give it the governorships of Veracruz and Oaxaca. For the three of them, good 2004 results would strengthen their chances of forming part of a winning coalition in 2006, or choosing a presidential candidate of their own who could increase their share of the vote.

Today, Mexico's party system is quite fluid. Shifting coalitions, a volatile electorate and no party being able to get a majority of the vote on its own are integral features of it. Regrettably enough, electoral coalitions usually tend to be purely momentary and do not translate into shared government or concerted legislative action. Perhaps because of this, and still more regrettably, turnout is on the decline: in the 2003 federal congressional elections, only 42 percent of the electorate came out to vote, an expression of the people's dissatisfaction with the entire political class. We do not really see anything that might reverse this trend in the 2004 state elections. VM

Notes

[1] After receiving this article, a series of corruption scandals broke involving key PRD and PVEM members, as well as Mexico City officials, that will no doubt affect them very seriously in this year's 14 state elections. [Editor's Note.]

[2] By "customary mechanisms" the author refers to traditional forms of election used by indigenous communities, different from the universal, secret ballot. [Editor's Note.]

[3] López Obrador's popularity and therefore presidential nomination possibilities were seriously affected also by PRD and Mexico City corruption scandals. But, although he lost several points in popularity, until now Mexico City's major is still the front-runner. [Editor's Note.]

The PRD's Institutional Crisis Prospects for 2006

Esperanza Palma*

The current problems of the PAN and PRI cannot be compared with the institutional crisis the PRD is going through, unleashed by recent corruption scandals directly involving PRD Mexico City government officials and leaders like former party President Rosario Robles.

The Party System And The PRD after 2000

After the alternation in office resulting from the 2000 elections, a new stage opened up in Mexico's democratic life that has forced the three largest parties to reposition themselves on the political scene because the places they traditionally occupied changed. For decades, the parties were situated on the political spectrum according to two dimensions: authoritarianism versus democracy. This defined the roles of hegemonic-governing party/opposition parties and left/right.[1] With the National Action Party (PAN) victory in the presidential elections, the first dimension disappeared and the Institutional Revolutionary Party (PRI), the PAN and the Party of the Democratic Revolution (PRD) became simply parties without previously fixed places. In the context of the post-transition, the large parties have to adjust and reformulate their agendas and contend for an increasingly independent and strategic-minded electorate. They have to make new proposals that increasingly distinguish them from their competitors. However, they have faced problems in reorganizing themselves in this stage. The PAN has encountered serious difficulties assuming the role of governing party, which can be seen in its ambiguous and complex relationship with the Fox administration, from which it has been rather marginalized. The PRI has had to deal with clashes among its currents and leaderships, which now act with less discipline given the absence of the incentives it used to have because it was in office. The current problems of the PAN and PRI, however, cannot be compared with the institutional crisis the PRD is going through, unleashed by recent corruption scandals directly involving PRD Mexico City government officials and leaders like former party President Rosario Robles. If the PRD was already facing difficulties in improving and reinventing its discourse in the transition stage, centered against the PRI and neoliberalism and in favor of democracy, it now seems to have been left empty-handed since honesty had been its main political selling point. [2]

The current crisis in the PRD cannot be understood if we do not take into account the party's low level of internal institutionalization, visible for some time in four main ways:

1) *The lack of control over its leaders.* If anything has been shown by the recent scandals involving René Bejarano and Rosario Robles, among other prominent members, it is that the PRD has little control over the actions of its leaders. They have substantial autonomy with regard to the party and have created their own spaces of power and fostered their own interests, regardless of their organization's general interest. It should

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Andrés Manuel López Obrador, currently the front-runner in the race for the PRD nomination.

The strength that López Obrador's candidacy was gaining for 2006 has been dealt a blow by the scandals involving several members of his administration.

be remembered that Robles had already suffered a blow internally when she resigned as PRD president in 2003 because of 354 million pesos in excess spending.

Undoubtedly, the "moral leadership" of Cuauhtémoc Cárdenas has been the clearest symptom of the leaders' independence from the party; despite having no formal post in the party structure, Cárdenas has lots of room for manoeuvering in terms of making public statements, forging alliances and promoting himself as a candidate.

2) *Internal factionalism.* A party of different currents, from its inception, the institutional design of the PRD has promoted the formation of groups. According to its by-laws, currents are not only recognized, but can also publicly disagree with leadership bodies and are proportionally represented in the National Council.[3] Thus, the currents have become the main mechanism whereby individuals and factions occupy party posts, and their formal recognition has fostered factional behavior, despite the fact that their original purpose was to seek internal balance.
3) *Lack of discipline.* The lack of respect and agreement about the results of internal elections for leadership posts is clear evidence of the PRD's lack of discipline. Questioning the outcome of internal processes, which in 1999 led to the cancelation of Amalia García's election as party president, and the continual denunciation of irregularities have become the norm inside the party.
4) *Electoral zigzags and the lack of electoral homogeneity nationwide*. This was evident once again in the 2003 federal elections. Just one example is sufficient to illustrate the party's electoral instability: in elections for federal deputies, in 1991, the PRD received 8 percent of the vote nationwide; in 1994, 17 percent; in 1997, 26 percent; in 2000, 18 percent; and in 2003, 18 percent.

Thus, in a context of low levels of institutionalization, it is not surprising that the party is facing such a severe crisis. However, perhaps the surprise is that the crisis has been sparked by being immersed in cases of corruption.

The Internal Groups

Inside the PRD, a large number of explicitly established groups exist, as was already mentioned, to attain posts inside the party rather than to express programmatic differences. Today, the following are some of the most important:

- *The New Left,* created by Jesús Ortega and Jesús Zambrano, which also includes current PRD General Secretary Carlos Navarrete.
- *The New Sun Forum*, represented by Amalia García.
- *The Democratic Left Current*, which includes René Bejarano and Dolores Padierna. This group had control over Mexico City's Legislative Assembly and maintains important links with the powerful social movement Neighborhood Assembly.
- *The Civics*, which includes Mario Saucedo and the *Insurgent Grassroots Movement*.
- *The Political Action Group*, led by Higinio Martínez.
- *Unity and Renovation*, created in February of this year, which included Rosario Robles before she resigned from the party. It includes Leonel Godoy, Pablo Gómez, Graco Ramírez, members of the Democratic Left Current and the Civics, among others. Although its members said they did not aim to foster any particular candidate, it is clear they

intend to support Cárdenas in his bid for the presidency.[4]

This diversity of groups and factions does not correspond to programmatic diversity. Nevertheless, inside the PRD there are two broad currents that, despite not being formally organized, represent two different views of the kind of party they want in organizational and programmatic terms. These points of view were manifested in the 2002 internal elections for party president, when Rosario Robles and Higinio Martínez ran against Jesús Ortega and Raymundo Cárdenas.

The first position reproduces the discourse for self-consumption that reiterates the artificial, worn-out opposition between neoliberalism and nationalism, backs the leadership of Cuauhtémoc Cárdenas and favors a party-movement model that conceives of the PRD as an instrument of society, or better stated, of social organizations. This is the vision of Rosario Robles, and, in general of PRDers close to Cárdenas.[5]

The other broad current, made up mainly of the members of the New Left, but also supported by Amalia García, fights for the creation of a modern left party and the renovation of its leaderships, pointing toward a citizens' electoral party prepared to govern. This current has emphasized the need to totally revamp the PRD, modifying bylaws, limiting the currents[6] and changing internal mechanisms for selecting leaders and candidates.[7]

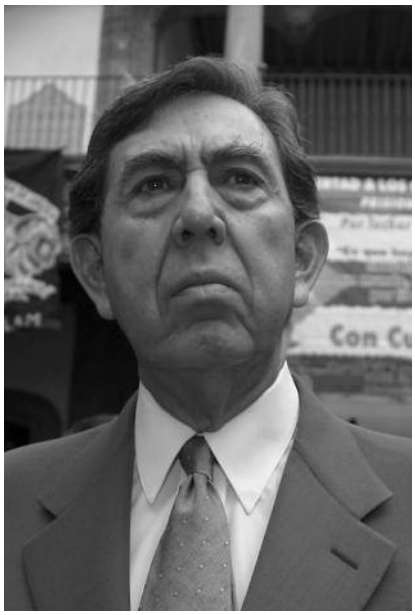
After the recent scandals, it is to be expected that certain internal readjustments will occur and possibly the New Left will be strengthened because of the discredit accruing to the first current and the exit of Rosario

PRD Vote Count in Elections for Federal Deputies (2000 and 2003)

State	2000 (%)	2003 (%)
Aguascalientes	8.39	7.05
Baja California	9.23	6.58
Baja California Sur	39.58	44.99
Campeche	15.98	2.61
Chiapas	27.11	21.70
Chihuahua	7.59	6.48
Coahuila	9.57	6.30
Colima	12.89	12.48
Durango	12.79	4.12
Guanajuato	8.17	12.72
Guerrero	38.49	39.38
Hidalgo	19.27	17.15
Jalisco	8.10	6.83
Mexico City's Federal District	30.60	44.59
Michoacán	38.85	36.29
Morelos	20.03	20.74
Nayarit	19.16	10.63
Nuevo León	6.96	2.19
Oaxaca	25.64	18.43
Puebla	13.11	7.91
Querétaro	7.72	7.97
Quintana Roo	20.92	8.03
San Luis Potosí	9.63	8.86
Sinaloa	15.51	12.78
Sonora	16.19	11.48
State of Mexico	20.67	24.34
Tabasco	36.52	37.71
Tamaulipas	9.14	7.86
Tlaxcala	27.57	33.40
Veracruz	22.67	12.42
Yucatán	4.17	5.41
Zacatecas	33.70	46.81
Total	18.68	18.24

Source: The author, using data for 2000 from Juan Reyes del Campillo, "2 de julio: una elección por el cambio," *El Cotidiano* no. 104, published by the Autonomous Metropolitan University, Atzcapotzalco campus (Mexico City), November-December 2000, pp. 5-15, and for 2003, from "Balance del proceso electoral de 2003" (Mexico City: 2003).

Robles and René Bejarano from the PRD. The New Left would be the most appropriate group to truly re-found or revamp the party.



Juan Pablo Zamora/Cuartoscuro

Cuauhtémoc Cárdenas may run for president a fourth time.

Cuauhtémoc Cárdenas has lots of room for manoeuvering in terms of making public statements, forging alliances and promoting himself as a candidate.

Possible Presidential Candidates After the Scandals

The strength that López Obrador's candidacy was gaining for 2006 has been dealt a blow by the scandals involving several members of his administration. Just how badly Mexico City's mayor will be affected by this in the long run is still to be determined, and we will have to wait for the results of the police investigations. For the time being, several things should be taken into account: López Obrador's irresponsible reply to the corruption of PRD officials and members in Mexico City, the fact that he has maintained a high approval rating despite this and Cuauhtémoc Cárdenas's positioning as moral leader of the party.

López Obrador has taken a defensive position and, separating himself from any relationship with René Bejarano, Fernando Ponce and Carlos Ahumada, has denounced the videos as part of a plot to finish him politically.[8] Instead of taking on the responsibility for the corrupt acts of some of his administration's officials and directly dealing with the issue by being accountable to the public, he has centered his tactic on the hypothesis that a plot has been hatched by "the state apparatus and the right wing." López Obrador continues to see himself as a leader of the opposition, not someone holding office.

Nevertheless, the 13-point drop in his popularity is not catastrophic, given the magnitude of the problem. According to a phone survey by Mexico City daily *Milenio* March 4, 69 percent of those polled thought López Obrador was a good mayor and that the entire matter was a strategy to discredit him.[9] This indicates that despite everything, he continues to have a good image and credibility for an important sector of the citizenry. How can it be explained that he maintains his lead in the popularity polls despite not having kept his promise of honesty? This is probably due to the fact that the public's perception does not change very rapidly, and the theory of the plot may seem less costly to them. Taking this into account and supposing that Mexico City's mayor may come out of the whole mess clean, he still may be the PRD's candidate in 2006.

For his part, Cuauhtémoc Cárdenas has once again situated himself as the squeaky-clean moral leader of the PRD, stating unambiguously (in contrast to López Obrador) that those who have engaged in reprehensible behavior have no place inside the party and supporting disciplinary action against his old ally, Rosario Robles. He has insisted that the PRD must reaffirm its commitment to the fight against corruption, which would seem to strengthen him as a possible candidate for 2006.[10]

The PRD and 2006

The PRD will face the 2006 elections amidst the worst crisis in its history, a crisis that will be very difficult to overcome even if it revamps itself entirely. Until now, the possible candidates continue to be the same: one who, paradoxically, may either take the party to the presidency or to disaster, and the other, who, despite having more moral authority, would again put the PRD in third place among the voters.

As its past shows, by itself the PRD does not have sufficient electoral support to win a presidential election through mere organizational strength, above all taking into account that candidates are increasingly important in

The crisis the PRD is going through not only affects it directly, but also the system of representation as a whole and public trust in institutions and their representatives.

Leonardo Garza Treviño/Cuartoscuro

Ricardo Monreal, current governor of Zacatecas, is also in the running for the PRD nomination.

voters' decisions. The 2003 elections clearly showed that this party has consistent influence in a handful of economically and socially diverse states: Baja California Sur, Chiapas, Mexico City, Guerrero, the State of Mexico, Michoacán, Morelos, Oaxaca, Tabasco, Tlaxcala and Zacatecas (see table). In several other states it is practically non-existent. In 2003, repeating its prior showing, it received less than eight percent of the vote in nine states, among them Aguascalientes, Baja California, Nuevo León and Chihuahua. The difference in vote counts by state is of note, indicating a lack of homogeneity nationwide.

Under these conditions, the PRD's prospects for 2006 are not good. Worse yet, the prospects for the party system as a whole are not good either. The events involving the PRD and some Mexico City officials uncover a more general problem that seems to affect all the parties and our system of representation. Despite the fact that the parties all have incentives to become more institutional, since electoral legislation gives them a monopoly on political representation, they are still confronting serious difficulties in achieving that end. The general trend points to the establishment of parties without political accountability, whose elites seem to act without regard to the demands and sensibilities of the public. For that reason, the crisis the PRD is going through not only affects it directly, but also the system of representation as a whole, public morals and the public trust in institutions and their representatives. Besides damaging the quality of our democracy, the crisis in the PRD will leave a good number of leftist voters with no political option in the next elections, and, therefore, without representation. VM

NOTES

[1] See the studies by Alejandro Moreno, *El votante mexicano. Democracia, actitudes políticas y conducta electoral* (Mexico City: Fondo de Cultura Económica, 2003) and Beatriz Magaloni, "El voto estratégico: racionalidad individual, ordenamiento de preferencias y multidimensionalidad," Carlos Elizondo Meyer-Serra and Benito Nacif Hernández, comps., *Lecturas sobre el cambio político en México* (Mexico City: Fondo de Cultura Económica/ CIDE, 2002), pp. 238-254.

[2] A series of scandals broke out in March 2004 when videotapes were aired on television showing party members and Mexico City government officials receiving large sums of money from a local businessman, setting off what is perhaps the most profound crisis in the history of the PRD. These scandals involve some of the PRD's most prestigious political figures and compromise the possibilities for success of the party's best bet for the candidacy in the 2006 presidential elections, Mexico City Mayor Andrés Manuel López Obrador. [Editor's Note.]

[3] Article 10, Sections 4 and 12. *Estatutos del PRD* (Mexico City: PRD, 1998), pp. 14 and 16.

[4] "Los grupos del PRD," *Reforma* (Mexico City), 11 March 2004, and Aminadab Pérez Franco, "Implicaciones de los videos de corrupción en el Distrito Federal: mucho de qué preocuparse," *Boletín* 50, http://www.fundacionchristlieb.org.mx/coyuntura/boletin50-1.htm.

[5] Rosario Robles, Carlos Imaz, et al., "Las tareas del PRD," *Coyuntura* 98 (Mexico City: PRD, June-July 2000), pp. 50-52.

[6] Although it should be said that the recently created Unity and Renovation proposes defining currents' obligations.

[7] "2 de julio: balance y perspectivas," *Coyuntura* 98 (Mexico City: PRD, June-July 2000), pp. 39-49.

[8] These three individuals are implicated in the corruption scandals: René Bejarano had been Mayor López Obrador's main assistant; Carlos Ahumada is the businessman seen giving him money; and Gustavo Ponce was Mexico City's Finance Minister. Ahumada and Ponce are currently wanted by the police. [Editor's Note.]

[9] María de las Heras, "La popularidad de AMLO cae trece puntos," *Milenio* (Mexico City), 8 March 2004, p. 12.

[10] Alberto Aguirre and Daniel Pensamiento, "Exige Cárdenas aplicar castigos," *Reforma* (Mexico City), 8 March 2004, p. 1.

The Changing Face Of Latin American Democracies Is the "Democratic Boom" Over?[1]

Rosario Green*

Marcos Haupa/Reuters

Argentineans commemorate another anniversary of bloody riots.

Latin America staggers today under a new dictatorship: that of no alternatives, absence of powerful ideas and lack of imagination.
ROBERTO MANGABEIRA

Fourteenth Meeting of Ambassadors and Consuls of Mexico
Mexico City, January 6, 2003.

INTRODUCTION

It is a fact that Latin America's so-called "lost decade for development," the 1980s, was also a time for the rebirth of democracy in the region. The Central American countries went from civil war to peace negotiations, while authoritarian military regimes in South America handed over power to civilians.

The 1990s reconciled most Latin American governments with political and economic liberties. They committed themselves to abide by the rule of law, to respect human rights and to allow for the free market economy to flourish. The adoption of the policy reforms recommended by the Consensus of Washington and the holding of free and fair elections by universal suffrage became the foundations of the "democratic boom" in Latin American at the end of the century. Unfortunately, democracy and development did not grow at the same pace and soon this gap, together with other political and social issues, resulted in a profound dissatisfaction of Latin Americans with the function-

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ing of democracy and its institutions in the region.

Three main reasons explain what is considered the current crisis of democracy in Latin America. These are: the weakness of civil society in most countries, the high level of corruption in both public and private sectors and the accumulation of an enormous social debt that has put half of the region's population below the line of extreme poverty.

Civil Society and Democracy

The 2002 Latinobarómetro annual opinion poll measured Latin America's support for democracy. This survey, conducted by the Chilean organization regularly since 1996, covered 17 countries. Some of the report's most important findings are as follows:

First, even though Latin Americans are becoming somewhat more supportive of democracy, citizens have little trust in government policies, politicians and political parties.

In Argentina, for instance, support for the government at one point fell from almost 25 percent in 1996, to near zero in 2002. The slogan "*que se vayan todos*" or "they should all go" in reference to the ruling class was probably the best expression of Argentineans' rejection of their politicians.

Chile, considered the most democratic country in Latin America, shows a very low level of trust in many of its political institutions. According to Latinobarómetro, while in 1996 nearly 30 percent of the people interviewed responded that they had confidence in political parties, in 2002 this figure was barely above 10 percent. Marta Lagos, head of this organization, recognizes that these results anger and are rejected by Chilean politicians who do not want to face the fact that citizens are unhappy with the functioning of some of the most obvious icons of democracy.

Paraguay, however, is the country where the drop in confidence in political parties is most alarming. Their acceptance went from almost 40 percent in 1996 to 5 percent in 2002. It is very possible that the assassination of Vice-President Argaña in 1999 played an extremely important part in explaining this outcome.

Even in Mexico, where after more than 70 years in power the PRI lost the 2000 presidential elections to the PAN, trust in political parties fell to almost half, going from 20 percent in 1996 to 10 percent in 2002.

From these figures, one can conclude that a very important task lies ahead, since without political parties, among other requirements, democracy cannot take root. It is therefore imperative to ensure in civil society the drive to either reform or create the political institutions that truly represent its ideals and concerns.

Second, although most Latin Americans continue to believe that democracy is the best system, a significant percentage say that they would be willing to sacrifice some democratic achievements in favor of better economic results.

As a matter of fact, today more citizens in countries like Paraguay, Peru, Panama, El Salvador and Bolivia think that under certain circumstances an authoritarian government can be preferable to a democratic one. According to Latinobarómetro, the citizens of three of these countries, El Salvador, Paraguay and Panama, have shifted somewhat to the right, which would explain this position. However, in the cases of Peru, the explanation lies in the disarray of the Fujimori government, and in Bolivia, Sánchez de Lozada's crisis, linked to the opposition to some of his policies, in particular his proposal to sell natural gas to the United States. But they also have to do with the demands of important sectors of the population, mostly very poor peasants who demand better living conditions or "the heads" of national leaders.

This does not imply that authoritarian regimes are coming back to Latin America, however. In fact, one can expect quite the opposite, not only because memories are too recent and too painful, but also because the American continent has developed a new set of legal instruments to prevent and even penalize deviations from democracy. One has only to remember the unanimously approved Inter-American Democratic Charter adopted by the extraordinary meeting of the OAS, gathered in Lima the very same tragic September 11, 2001 to ensure that the members of the regional organization will not allow the return of dictatorships to the Americas.

Even though Latin Americans are becoming somewhat more supportive of democracy, citizens have little trust in government policies, politicians and political parties.

Third, there is profound dissatisfaction with issues such as the general performance of the Latin American economies and the consequences of the process of privatization.

Because it is a fact that citizens have a tendency to identify support for democracy with the improvement of their economic situation, it is no wonder that in most of the Latin American countries this support was higher in 1996 than in 2002, when their economies were doing poorly. Perhaps the most striking example is Argentina, where in 2002 and 2003 almost 100 percent of the population thought that both their personal economic situation as well as that of their country were a major disaster. These results however, did not differ much from the rest of Latin America. For instance, only in Brazil, the Central American countries, Mexico and Venezuela did around 10 percent of their citizens answer that their personal economic situation and that of their countries could be described as good or very good.

As far as privatization is concerned, the figures are even more impressive. Practically none of the Latin Americans interviewed think that the state should leave the economy wholly in the hands of the private sector. Furthermore, except for Mexico, there appears to be specific discontentment about the way public services have been privatized.

Coming back to the concrete case of Argentina, while only one-third of the population consulted by the public opinion survey firm Ipsos-Mora y Araujo agrees with the privatizations implemented by the government, the rest believe that either the state should re-acquire the privatized enterprises or it should at least enforce a very clear set of rules, particularly regarding prices of services and future investments.

Corruption and Democracy

One of the most important shortcomings undermining trust in democracy in the Latin American countries is the citizens' perception that corruption, both public and private, has worsened and become widespread in recent years.

Across the region some eight out of ten respondents to the Latinobarómetro poll believe that corruption has increased in the last three years. This result is very much linked to a general unhappiness with some of the matters discussed before: economic policies, in particular privatization of public services.

Today more citizens in Paraguay, Peru, Panama, El Salvador and Bolivia think that under certain circumstances an authoritarian government can be preferable to a democratic one.

Although everywhere except in Uruguay a majority of respondents still believe that the market economy is best for their country, there is general concern about some of the results of the so-called neoliberal reforms implemented throughout Latin America. An important number of citizens believe that some of these reforms have favored both the leaders and the corporations more than the people.

According to former Assistant Secretary of State for Western Hemisphere Affairs Otto Reich, when Latin Americans voice their loss of appetite for reforms, "They are actually expressing their frustration with the imperfect implementation of market economies and with the persistence of corruption, rather than with the models themselves." Paraphrasing Winston Churchill and Reich himself, one is tempted to say that "democracy and free markets are the worst systems of government and resource allocation, with the exception of all the others."

Of course corruption —both public and corporate— is not a monopoly of Latin America. Notorious scandals in the United States, such as those of Enron and WorldCom speak for themselves. However, it is a fact that in its 2003 Corruption Perception Index, the World Bank states that one of the most worrisome trends in Latin America and the Caribbean over the past two years was the notable erosion of honesty, transparency and good practices.

What is more, Transparency International has produced research that indicates that the cost of corruption in some South American countries amounts to U.S.$6,000 per capita annually, an extraordinarily alarming figure when one considers that a third of Latin Americans live on less than U.S.$2 a day. The chairman of this organization, Peter Eagan, goes even further, saying, "In parts of South America, the graft and misrule of political elites have drained confidence in the democratic structures that emerged after the end of military rule." No wonder Latinobarómetro published a figure according to which 80 percent of those surveyed said that corruption has increased in

recent years. No wonder either that this view has been accompanied by growing dissatisfaction of the citizens with their leaders, their businessmen and even their system of government.

A recent poll by Transparency International according to which the cleanest country of the world, Finland, approaches 10 points and the most corrupt, Bangladesh, is placed near to zero, shows that in Argentina, for example, the citizens' perception of corruption has gone from 2.8 in 2001 to 2.5 in 2002, rating the country as number 92 among the 133 nations included in the survey. This deterioration is worst in Bolivia and Honduras with 2.3 points each, and in Paraguay and Haiti with only 1.6 and 1.5, respectively. Other countries in the region such as Brazil, Colombia, Peru, El Salvador, Mexico, Panama and the Dominican Republic, are in a slightly better position showing figures between 3.9 and 3.3 points. Only Chile, located in twentieth place, receives an acceptable rating: 7.4 points.

Social Debt and Democracy

In a recently published book, *The Interaction between Democracy and Development*, Boutros Boutros-Ghali states that for a long time both concepts remained foreign to each other in the eyes of analysts. However, "with the end of the bipolarization of the world, the decline of centralized State systems, the demise of most authoritarian governments and the emergence of new organizations spawned by civil society, the democracy/development dialectic finally became a central subject of contemporary debate." Today, everyone agrees that there is a close relationship between democracy and development. Therefore, if the latter is not fair and good enough, the first suffers.

According to Latinobarómetro, support for democracy may have bounced back in line with a slight improvement over the past few months in how Latin Americans see their economic situation. Concretely, in the case of Argentina, if today's support for democracy is higher, it is due to the so-called "economic summer" that took place at the end of 2002. However, when the time span is enlarged, in all but four countries included in the poll (Chile and Mexico among them), this support was lower at the end of 2002 than in 1996, probably because of Latin America's generally poor economic performance over that specific lapse of time, proving once more that weak economies breed political frustration.

It is a fact that in the last few years, Latin America accumulated a gigantic social debt that injured faith in democracy. One of the immediate consequences was the gathering of crowds on the streets demanding prompt changes and even the fall of their government leaders. An extreme example was indeed Argentina. All through 2001, popular discontent against President Fernando De la Rúa took thousands of people to the *plazas* to protest, banging pots and pans in actions that were called *"cacerolazos"*, while thousands more who were unemployed and called themselves *"piqueteros"* jeopardized access to the city of Buenos Aires, making traffic a nightmare.

A well-known scholar, Tulio Halperín, maintains that this political crisis was linked to the inability of the ruling class to design a project for the new Argentina, sticking instead to the old model based on the export of traditional goods, such as staples and raw materials, and import substitution. However, the previous ways could no longer ensure the social mobility that in the past created and fortified the middle classes and their access to education and culture, health and food, employment and housing.

According to another expert, Ernesto Semán, because Argentineans believed both that the first constitutional government had brought back "civility", and that the long years of Menem's presidency had offered them "stability", they had expected De la Rúa's administration to provide them with "all the rest", meaning the reduction of the social gap and the elimination of corruption. Frustration was therefore in order. By June 2001, Menem was in jail; "Chacho" Álvarez had resigned the vice-presidency; De la Rúa's popularity after only 18 months was in the single digits and continued to fall; and Cavallo, Menem's "financial genius" brought back by De la Rúa in an attempt to get hold of the economic situation, was considered a "failure". The end result is well known: on December 20, 2001, De la Rúa was overthrown and three presidents (Puerta, Rodriguez Saá and Camaño) were sworn in before finally, on January 1, 2002, Eduardo Duhalde

There is profound dissatisfaction with issues such as the general performance of Latin American economies and the consequences of the process of privatization.

committed himself to "administer the emergency" until May 25, 2003 when, not without complications, Néstor Kirchner was elected president of Argentina for the next four years.

Several analysts strongly believe that, without diminishing the importance of social claims, the participation of other political actors played a significant role in what they consider a "civil coup d'etat" against De la Rúa. Whether that was so or not, a number of issues should be underlined.

First, the seriousness of the socio-economic indicators cannot be underestimated when explaining the crisis in Argentina. Fifty-seven point five percent of Argentineans are poor; 17.8 percent of the work force is unemployed; and 30 percent of the most affluent population enjoys 65.3 percent of national income, while the 30 percent considered the poorest has to make do with only 7.8 percent.

Second, regardless of any justification for action based upon such inequality, the 2001 crises in Argentina created a very dangerous non-alternative to the democratic path marked by free and fair elections and respect for the powers of the state. With or without political manipulation, the people took over the streets and together with this, in a way beheaded the institutions. And although it may be true that since the beginning of social revolutions, the "spirit of freedom" is also born in the streets, if it is not soon translated into constitutional ways forward and parliamentary actions, it will lead indeed to chaos and anarchy.

Third, the Argentinean crisis gave birth to an example that could be copied by other countries and peoples in distress, making the prospect of a "domino effect" something more than mere speculation. As a matter of fact, "*cacerolazos*" also took place in Uruguay very much around the same time as the crisis in Argentina. In Bolivia, as mentioned above, thousands of people marched against its president a short time later. And in Argentina again, the "*piqueteros*" continue to block traffic and cause all kinds of disturbances, prompting national newspaper editorials to maintain that although "democracy enshrines freedom of expression, assembly and protest, those rights cannot be exercised without taking into account the rights of others as well as the existence of institutional channels to address demands" (*Clarín*, 26 September 2003).

One of the most important shortcomings undermining trust in democracy is the citizens' perception that corruption, both public and private, has worsened.

Conclusions

Last year, at a Mexico City conference, Roberto Mangabeira said that Latin America staggers today under the dictatorship of no alternatives, absence of powerful ideas and lack of imagination. And although this may be so, it is also true of the world in general, particularly after the war against Iraq and its consequences on multilateral institutions as well as on regional cohesion. Maybe that is why today more than ever, Latin America has to imagine a way to make both political and economic freedom compatible. In order to do so, it has to build up an alternative and a new culture. An alternative founded on the implementation of public policies truly designed to distribute income with equity amongst the population. An alternative in which the state stops being the autistic partner while citizens are forced to stray from the formal sector of the economy and survive only on their own means and communal solidarity. An alternative with a credible system of checks and balances that translates into rewards for those who comply and punishment for those who do not. An alternative, finally, where democracy is equal to participation and social well-being.

A culture, on the other hand, that while giving priority to democracy and fostering its activist defense, enhances respect for legality, alerts against any influence that may corrupt its claims and rejects the use of violence of any kind. A culture that encourages civil society to increase its involvement and to be more vigilant of the functioning of governments and institutions. A culture that reconciles political participation, economic affluence and social equity. A culture, finally, where freedom has only one meaning: the fulfilling of all needs and the respect for all. VM

Notes

[1] This paper was prepared for the Third Annual Latin America Conference of the Americas Society, held in New York, October 17, 2003.

A Reply to Samuel Huntington's "Hispanic Challenge"[1]

A Conversation Between

José Luis Valdés-Ugalde* and Leonardo Curzio**

Nelly Salas/Cuartoscuro

"Huntington's ideas demonstrate above all a kind of illustrated xenophobia that we had not seen in his work and that has surprised analysts quite a bit."

LEONARDO CURZIO: An article by Samuel Huntington, "The Hispanic Challenge," appeared in the March-April 2004 issue of the influential magazine *Foreign Policy* edited by Moises Nahim. What do you think of it, José Luis?

JOSÉ LUIS VALDÉS-UGALDE: It's a preview by Huntington of his book *Who We Are. The Challenges of America's National Identity,* soon to be published by Simon and Schuster. Huntington, a Harvard political scientist, is the renowned author of classics like *The Clash of Civilizations* and *Political Order in Changing Societies*. He's known by all experts in political science and specific regimes and political systems, like the authoritarian regimes in Latin America, and he has been widely read by both Latin Americans and people from the United States. In this article, he delves into a polemical issue, I would say in a rather provocative way: the supposed Hispanic threat, specifically the Mexican

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threat, to cultural integration in the United States. Huntington basically defends three ideas: one, that the avalanche of Mexican immigrants is a potential threat for U.S. cultural and political integration; second, that the most serious and immediate threat for their identity comes from Latin American migration, particularly from Mexico; and three, that if Spanish continues to spread in the United States, there will be significant consequences in political and government matters, fundamentally in a process of integration that he thinks is continual and constantly increasing and that also includes other aspects like illegality, regional concentration, persistence and historic presence. Broadly speaking, these are Huntington's ideas. I think that they demonstrate above all a kind of illustrated xenophobia that we had not seen in his work and that has surprised analysts quite a bit. This article is just beginning to be debated in Mexico. I think it's wrong, that it is a new expression of intolerance that reflects, in any case, a historic fact: the dominant religion since colonial times in the United States is the source of three series of ideas that make up part of most Americans' "common sense" and that Professor Huntington seems to share. The first involves identity, who Americans are, but from an isolationist vision, from a vision that many have of their own exceptional status and destiny, that also stands out in the article in what I think is a dangerous way because it offers nativists anti-Mexican arguments during an electoral year, arguments that could even be used as pretexts for an even greater anti-Mexican offensive than we have already seen. In that sense I think the article could have very serious implications. At the same time, it should be said that the second series of ideas in colonial religion involves the way people deal with dissent and how to behave toward people with ideas that are different from one's own. This is a recurring theme in U.S. history. For many Americans, the only way to deal with people whose views are different from their own —in this case Mexicans or Latinos— is to isolate them. I

think that, as can be seen in Professor Huntington's orthodox Protestant view, Americans, particularly those who identify themselves as the most religious, demonstrate with this discourse that they are not particularly tolerant of behavior that deviates from relatively strict norms, even when these same people tend to hold to an abstract principle of "freedom for all" as does Huntington himself. I think that many Americans accept a relatively authoritarian concept of community, which includes practices of indoctrination, among other anti-democratic practices that I think are contained in the article.

Let me tell you that I also find substantial theoretical mistakes in it, above all with regard to the process of assimilation. It has been demonstrated, paradoxically in contradiction to what Huntington says, that the integration of Hispanics is greater today than it was in the past. Some studies show a decrease in non-assimilated Hispanics from 40 percent to 26 percent in the last 12 years. This means that today Hispanics are more easily assimilated, that they incorporate themselves more easily into U.S. society. Most Hispanics (around 63 percent) are bilingual or bicultural. Mexican Americans and Hispanics in general feel comfortable speaking both languages. That is why it seems to me to be an unpardonable error when Huntington makes language the central issue in his argument. I think it is very anti-Mexican and it clearly directs the article not against immigrants in general, but against a particular population that he considers a danger, but that is actually only a threat for traditional nativism, which in this case is racist. It is unfortunate —and, as academics, we have to emphatically say so— that Professor Huntington has assumed positions that are so profoundly reactionary at such a delicate time in U.S. political life.

Leonardo Curzio: I am also enormously concerned, since it is a matter of the secular integration of two communities, the Hispanic and the Anglo communities, that have coexisted for over 100 years in the United States, in which assimilation has been achieved almost naturally. I don't think the balance in California, in Texas, in New Mexico, changes the relationship between these two communities at all. For example, when you have a chance to hear Bill Richardson, the governor of New Mexico, speak Spanish —which he does as well as you or I— or when we hear Rosario Marín speak Spanish (the woman whose signature is on dollar bills, the former treasurer of the United States), I don't see how it affects the United States. I am also enormously concerned about Huntington's theoretical contradiction. Just a few years ago, in *The Clash of Civilizations*, he said that there were two countries, Turkey and Mexico, that were divided between two civilizations. Turkey, he said, is Islamic, but at the same time it is part of Europe. He said that Mexico is a country that shares an enormous number of values with what he calls the Hispanic-American civilization, but at the same time is a profoundly American nation. In many ways, ours is a country with many values, like consumption patterns, the organization of our cities and much of what is related to Mexicans' daily life, that is perfectly integrated into the American model. If you go to Los Angeles, for example, you don't feel a break with Mexico. If you go to Houston or many other U.S. cities, you don't feel you have broken with your way of life. I think that the famed Huntington is exaggerating the argument that Giovanni Sartori made in Europe according to which the countries of the European Union are trying to incorporate communities —he is referring mainly to Muslim communities— that do not share the values of democratic pluralism or the same set of freedoms, and that are the ones pushing for women to use the veil and who want to preserve at all costs a series of religious elements that distinguish them totally from the cultures that have received them. Quite to the contrary, I maintain that Mexicans basically share the values that give cohesion to the phenomenon that Huntington himself calls American civilization.

It has been demonstrated, in contradiction to what Huntington says, that Hispanics are more integrated today than they were in the past.

José Luis Valdés-Ugalde: I agree. I also think that this recognized political scientist is wrongly zeroing in on Hispanics when he talks of regional concentration, for example, or the inability to speak the host country's language. We should not forget that the Irish and Italians concentrated in the northeastern United States. Nor should we forget that populations like the Cubans, concentrated in Miami, or Mexicans in California show the degree of immigrant communities' openness and are the ones that have

made the United States what it is as a nation, including, of course, the last Hispanic or Mexican immigrant who entered the country yesterday. These are populations that have not only shown great openness, but also a notable capacity to adapt to the U.S. life style and norms.

I think that Huntington's argument is an exaggeration that negates another fundamental aspect: the issue of mixing in multi-ethnic societies, today's societies. Neither Europe nor the United States are exempt from this. England, France and Germany show that, even though each of these nations has recalcitrant sectors that resist immigrants, the veil and people of color, defending racial purity and a whole series of positions that I think are in a minority, today's world does not necessarily have a single dominant color, a dominant language or a dominant culture. It is really an infinity of mixtures that already exist and that explain, from their wealth of diversity and tolerance, the importance and need to recognize that this is not only a sign of our time but is also a value added for our societies. We must be emphatic and direct: in the United States, not only have Mexican immigrants been mistreated, but the country has been enriched by the entry of Latin American immigrants, particularly Mexicans. This is true in terms, for example, of the extraction of surplus value in hiring; in culinary terms; in cultural terms; in terms of a world view; and of diversity in many senses. This is a fact that cannot be denied. Nor can the "loss" of sovereignty or a supposed loss of a specific integrity or cultural identity of the nation be ascribed to Mexicans or other Latinos. I think this is a wrong analysis and, in effect, theoretically contradictory and politically dangerous. VM

Notes

[1] This is the transcription of an interview broadcast on the popular radio program "Enfoque," Monday, March 9, 2004.

U.S.-Mexico Border Health For a Consistent Policy

Rodolfo Hernández Guerrero*

Jorge Alvarado/Cuartoscuro

The contrast and diversity between U.S. and Mexico can be seen in the evident spread of both cultures across North America due to transborder movements of people, beliefs, traditions and trade. There is no doubt that the human interaction between these two countries has shaped their history and is determining their present and future. Despite many decades of collaboration between governmental, business and nongovernmental agencies, the 2000-mile U.S.-Mexico border continues to be a mosaic of disparities not only between the two sides of the border but also between the border region and the rest of both countries. For Mexico the northern border symbolizes progress, international corporate investment, manufacturing, the destination for migration and higher living standards. For the U.S., the southern border is represented by stereotypes of poverty, low educational levels, underdevelopment, social segregation and drugs.

U.S.-Mexico border policy decisions must be designed and executed integrally addressing common needs and challenges from both sides of the border and critically recognizing the strengths and weakness of existing political, economic and social conditions.

Nevertheless, the juxtaposition of these two realities creates a unique complexity that should be described and analyzed to better understand the region's challenges and needs. In light of this, U.S.-Mexico border policy deci-

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sions must be designed and executed integrally, addressing common needs and challenges from both sides of the border and critically recognizing the strengths and weakness of existing political, economic and social conditions.

In many cases, U.S.-Mexico border health policy has been characterized by a lack of consistent and realistic approaches to effectively face the increasing number of challenges in a region with significant population flows. Despite relatively high standards of living and life expectancy and low infant mortality rates, institutions, the cost of living, lack of health services, poverty, local public policy design and culture reflect the complexity of effectively satisfying border health needs.

Life expectancy in Mexico's six border states exceeds the 73.5-year national average. In the year 2000, for example, Nuevo León and Baja California continued to have the highest life expectancy in northern Mexico (76.8 and 76.4 years, respectively).[1] According to the 2000 Mexican National Health Survey, the northern border states have the largest percentage of population who perceive their health as "good," led by Chihuahua and Sonora.[2]

Despite some significant improvements in health indicators, others do not provide the most optimal scenario. Mexican border states' infant mortality rate (IMR) is below the Mexican national average of 24.9 per 1,000 live births. The state of Baja California had an IMR of 18.9, leading these northern states, followed by Chihuahua, and Sonora.[3] In contrast, Texas reports an IMR of 5.7 per 1,000 live births, while the U.S. national rate was 6.9.[4]

Tamaulipas had the highest maternal mortality rate (6.67 per 10,000 live births) among northern border states. In fact, this rate has quadrupled since 1990. Tamaulipas is followed by Chihuahua (4.13) and Coahuila (3.6).[5] Despite respiratory and intestinal infections being the first cause of death in the Mexican border states, asthma has increased substantially, especially in Tamaulipas with 488.58 deaths per 100,000 inhabitants and Baja California with 483.6 deaths. The Mexican side has a deficit of 2,125 hospital beds, assuming a need for one bed per 1,000 people. HIV and AIDS cases tend to appear at a higher rate than the national average (4.6 and 4.1 cases per 100,000 inhabitants, respectively).[6] Coahuila, Baja California and Sonora have the highest obesity rates in Mexico, over 30 percent for the first two states, and 40 percent for the third.[7]

Besides health indicators, the differences between U.S. and Mexican institutions and bureaucracies are challenges that cannot be ignored. In Mexico, health care is constitutionally guaranteed. It is administered by the state and federal governments, which provide health and hospital services through institutions like the Mexican Social Security Institute (IMSS), the State Workers Institute for Security and Social Services (ISSSTE) and the Ministry of Health.[8] In this framework, Mexico may have a more consistent health policy than the U.S. because of agency centralization. However, this consistency constricts local innovation. The United States' system may be simpler because the state health departments are given more direct responsibility for overseeing reportable diseases (i.e. tuberculosis, human immunodeficiency virus [HIV]), but these decentralized bureaucracies have produced a more limited health care system.[9]

For example, tuberculosis has been one of the diseases that have received the most attention from border health officials because rates tend to be higher in both countries' border regions than in the interior.[10] Mexico reports 25 cases per 100,000 inhabitants, about eight cases more than the national average.[11]

In addition, tuberculosis is problematic because of the long treatment period (a minimum of six months) and the high rate of migration in the border region. Tuberculosis patients may migrate from one country's health care system to another during treatment. Tuberculosis treatment and prevention differs between U.S. and Mexico health systems with regard to vaccination, diagnostic techniques, treatment regimens and reporting systems.[12] In Mexico, Bacille Calmette-Guerin (BCG) vaccination is a routine part of childhood health care, whereas the U.S. does not use it routinely because it sees the vaccine as useful only among children at a high risk of developing a particularly severe form of the disease. Many U.S. health officials mistakenly treat Mexican-born patients for tuberculosis because the BCG vaccination causes a false positive result on a tuberculosis test.[13] In addition, the U.S. and Mexico have different disease registration protocols and neither side has developed an efficient mechanism for sharing information.[14]

There is evidence of empowerment that may effectively promote community mobilization for preventive health behavior in the border region.

Another challenge of the difference in health systems is related to the purchase of pharmaceutical products on the Mexican border. According to a survey conducted in El Paso, Texas, patronage of Mexican pharmacies exceeds the expected rate for a young, presumably healthy population. This access is of special concern on the U.S.-Mexico border, where Mexican pharmacies supply a wide range of medications without prescription.[15] As long as there is an opportunity for significant savings by purchasing medications in Mexico, consumers will continue to go to Mexican pharmacies. The availability of cheap medications makes it possible for uninsured people to treat medical conditions.[16]

Addictions are a significant indicator of the general population's health. Ethnicity and ethnic geographic distribution also contribute to explanations of addictions. In the United States, Hispanics are reported to have some of the highest alcohol and tobacco consumption rates.[17] In El Paso, one of the largest border cities, 73.5 percent of the population is Hispanic. El Paso and the border region have the second highest level of acute alcohol risk in the state of Texas.[18] Physical proximity to Ciudad Juárez, Mexico, and its more flexible drinking laws and less expensive alcohol and cigarettes may contribute to the differences between Mexican Americans and non-Hispanic whites.[19]

There is also evidence of a correlation among advertising, health behavior and ethnicity. According to J. Gerard Power, poor ethnic communities are exposed to more alcohol and tobacco advertising than richer and Anglo communities.[20] Despite the fact that the U.S. Federal Communications Commission regulates the advertising of alcohol and tobacco, broadcasters south of the border are not subject to such regulation and communities across the border are exposed to Mexican advertisements.

Binational efforts have been developed to approach and remedy U.S.-Mexico health border challenges. The Pan American Health Organization (PAHO), the Center for Disease Control and Prevention (CDC), the IMSS, Mexico's Ministry of Health and the ISSSTE successfully launched a pilot tuberculosis program on the border. However, the program was limited by institutional and national constraints on administration and implementation. The Mexican government intervened in the project because it claimed that tuberculosis services were out of its jurisdiction. Nevertheless it is important to recognize that these activities reflect a unified institutional effort to provide patient services.[21]

There is also evidence of empowerment that may effectively promote community mobilization for preventive health behavior in the border region. In the Ciudad Juárez-El Paso area, HIV/AIDS programs include education to empower participants with decision-making strategies, with a participatory approach, sharing leadership among staff, patients, family and friends. The program assists participants in developing the knowledge and skills needed to provide HIV/AIDS education, collect relevant information and conduct outreach activities.[22] However, the program's success has been limited to this geographic area.

Other important efforts include the creation of the Mexico-U.S. Health Border Commission, the Binational Project for Epidemiological Monitoring of the Febrile Exanthematic Diseases and Hepatitis; the Binational Committee on Tuberculosis; the Binational Committee on HIV/AIDS; the Binational Committee to Combat Drugs; and the PAHO Sister Cities Program.

Despite the existence of these programs, institutional jurisdiction and local implementation are often limited in scope. Incentives must be put in place to enhance and diversify U.S.-Mexico health research with a deeper appreciation of social, cultural and economic border conditions and the impact of health problems in the population. Research focused exclusively on individual behavior does not explain the vulnerability of population groups. Due to social interaction, the health research agenda must be binational, with the ability to empower the community and a population policy approach. The creation of research mechanisms and funding to design and execute prevention campaigns and develop models of integrated care is determinant for long-term solutions. These mechanisms should mobilize U.S. and Mexican resources, build on regional institutions and account for local dynamics such as migration.

Politicians and others with decision-making ability must be convinced of the complex nature of the U.S.-Mexico border relationship regarding not only

The U.S. and Mexico have the world's busiest border, and therefore the highest potential for the spread of disease.

health issues such as tuberculosis, HIV and vaccination, but also those disparities that may indirectly improve border health conditions such as regulation, consumption, demand and advertising. For example, according to Parietti et al., the danger of Mexican pharmacies selling over-the-counter medications that would require a prescription in the U.S. would be minimized if customers and pharmacy employees were more aware of the side effects of common medicines, counter-indications and drug interactions.[23] In order to have an effective binational program, policy designers and managers must account for these fundamental differences and not expect either side to conform exactly to the other, but include all of the public health agencies in planning and implementation.

Facing and effectively overcoming U.S.-Mexico border health challenges may include sustainable and consistent public policies that harmonize and improve the existing system of epidemiological monitoring. For example, information must be systematized, including gathering, classification and analysis of disease data with integrity, accuracy, timeliness and comparability between both border authorities. It is also fundamental to have trained professionals to estimate the magnitude and importance of health problems in the border population, including the identification of cases and their laboratory diagnosis and follow up.

The democratization of information systems for policy design and implementation, including the transparent use of resources and the participation of the private sector and nongovernmental organizations may prevent the otherwise common misuse of infrastructure and funding due to corruption. Mexican states with the highest emigration rates may cooperate with transit and destination communities in policy and program design and implementation.

Finally, taking into account the aftermath of September 11, U.S.-Mexico health issues may be looked at from a broader perspective. The health of the U.S. and Mexican populations must be considered a component of the North American security agenda for two reasons: 1) the U.S. and Mexico have the world's busiest border, and therefore the highest potential for the spread of disease, and 2) this potential represents an increasing level of vulnerability for local and international biological terrorism. Thus U.S.-Mexico health issues demand sufficient attention and leadership. It may be appropriate to create a sidebar agreement to the North American Free Trade Agreement focused on health, paralleling the existing labor and environmental sidebar agreements. It should establish not only the status of health on the U.S.-Mexico security and political agenda, but also create the ideal forum for increasing and distributing resources for active parties (e.g. civic associations, NGOs, community organizations, etc.) and coordinating the design, adoption, implementation and evaluation of binational health policy. VM

The health research agenda must be binational, with the ability to empower the community and a population policy approach.

Notes

[1] Secretaría de Salud, *Indicadores de Resultados* (Mexico City: Dirección General de Estadísticas, Secretaría de Salud, 2001).

[2] Secretaría de Salud and Instituto Nacional de Salud Pública, *Encuesta Nacional de Salud 2000, Cuestionario de Adultos*, vol. 1 (Mexico City: Secretaría de Salud, 2003).

[3] Secretaría de Salud, op. cit.

[4] Texas Department of Health, *The Health of Texas: Executive Summary* (Austin, Texas: Texas Department of Health, 2002).

[5] Secretaría de Salud, op. cit.

[6] Ibid.

[7] Secretaría de Salud and Instituto Nacional de Salud Pública, *Encuesta Nacional de Salud 2000, Cuestionario de Adultos*, vol. 2 (Mexico City: Secretaría de Salud, 2003), p. 46.

[8] Secretaría de Salud, *Indicadores de Resultados* (Mexico City: Dirección General de Estadísticas, Secretaría de Salud, 2001).

[9] Jillian Hopewell, "Cross-Border Cooperation: A Case Study of Binational Tuberculosis Control," J. Gerard Power and Theresa Byrd, eds., *U.S.-Mexico Border Health. Issues for Regional and Migrant Populations* (Thousand Oaks, California: Sage Publications), p. 90.

[10] Ibid., p. 93.

[11] Secretaría de Salud, op. cit.

[12] K. Castro, "U.S. Strategies for Tuberculosis Control: A Focus on the Mexican Immigrants" (paper read at the U.S.-Mexico Border Tuberculosis Review meeting in El Paso, Texas in 1994), p. 93.

[13] Ibid., p. 95.

[14] Pan American Health Organization, *Tuberculosis Control Program* (El Paso, Texas: PAHO, 1993).

[15] Ellen M. Parietti, Joao B. Ferreira-Pinto and Theresa Byrd, "Easy Access to Contraceptives Among Female Adolescents in a U.S.-Mexico Border City," Power and Byrd, eds., op. cit., p. 119.

[16] Ibid., p. 136.

[17] Gerard J. Power, "Alcohol and Tobacco Advertising in the Border Region," Power and Byrd, eds., op. cit., p. 80.

[18] Texas Department of Health, *Selected Facts for El Paso County* (Austin, Texas: Texas Department of Health, 1995).

[19] Gerard J. Power, op. cit., p. 83.

[20] Ibid.

[21] Jillian Hopewell, op. cit., p. 99.

[22] Jesús Ramírez-Valles, Marc A. Zimmerman, Enrique Suárez and Graciela de la Rosa, "A Patch for the Quilt: HIV/AIDS, Homosexual Men and Community Mobilization on the U.S.-Mexico Border," Power and Byrd, eds., op. cit., p. 114.

[23] Parietti et al., op. cit.

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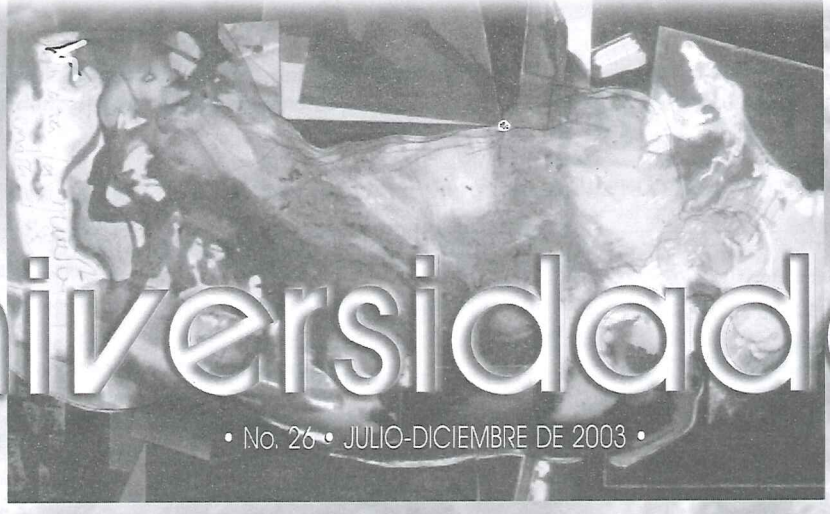

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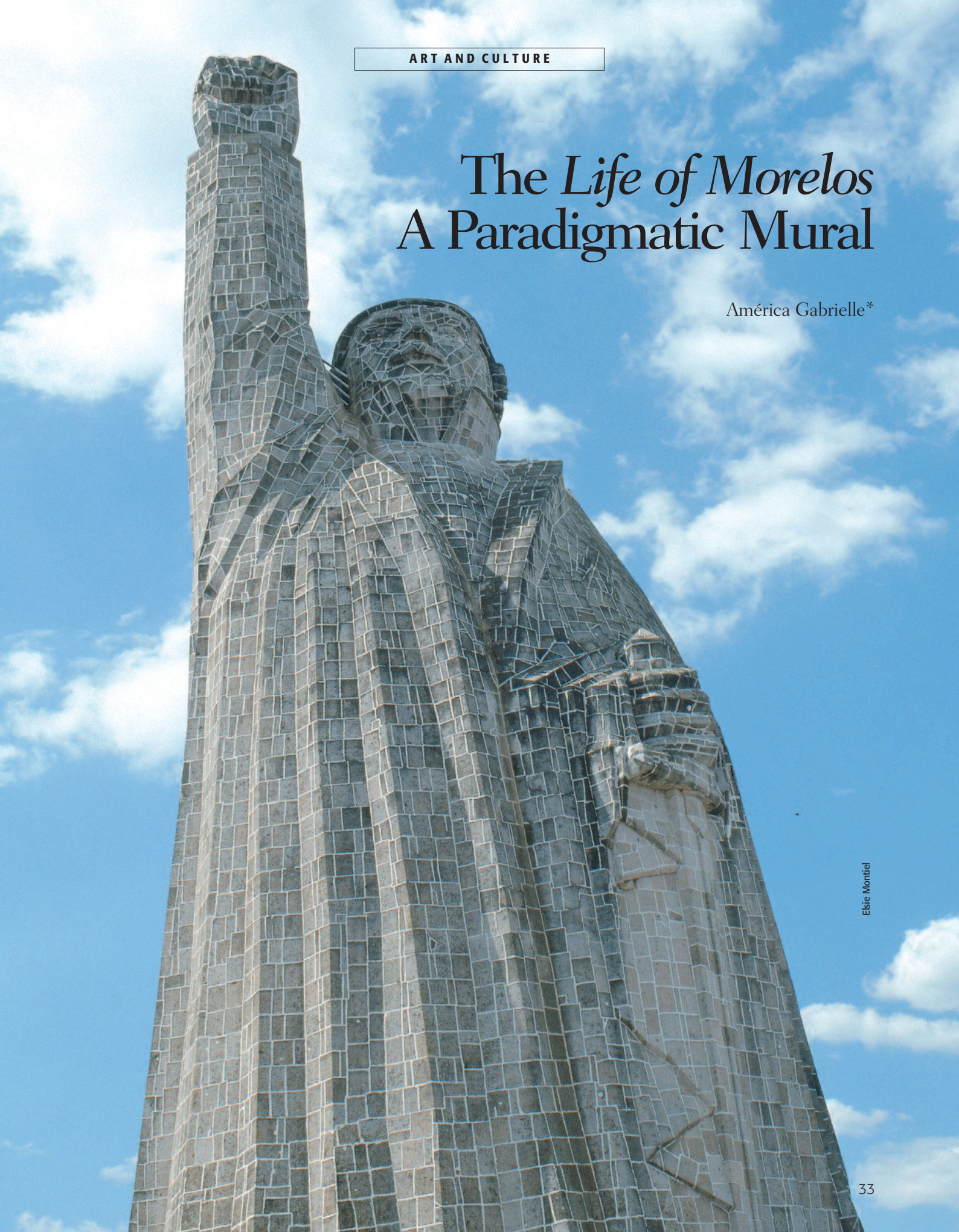
The *Life of Morelos* A Paradigmatic Mural

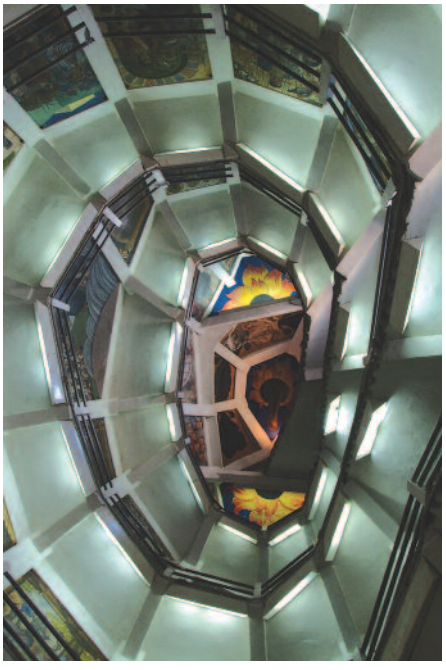
América Gabrielle*



Elsie Montiel

Daniel Mungula

The island of Janitzio.



Daniel Mungula

Interior of the monument to Morelos.

When sculptor Guillermo Ruiz finished the huge statue of Don José María Morelos y Pavón on the island of Janitzio in the middle of Pátzcuaro Lake, he invited Ramón Alva de la Canal, Diego Rivera, José Clemente Orozco, Luis Sahagún and Fermín Revueltas to decorate its five-floor interior. Nevertheless, when Mexico's president at the time, Lázaro Cárdenas, saw Alva de la Canal's proposal he was so favorably impressed that he commissioned him for the entire work. The painter's first visit to Pátzcuaro was to leave an indelible mark; he would forever remember the landscape, the deeply rooted traditions, the colors and the customs of a town that refused to lose its identity and clung lovingly to its thousand-year-old culture.

Alva de la Canal moved into a house on the edge of the lake near the city of Pátzcuaro with his wife and children in 1935. Every day he would take a boat to the island of Janitzio. But, the daily trip became so uncomfortable that he decided to move his family to the island itself. Life there was very difficult at that time: there was no electricity, running water or other services. Painting the walls was exhausting because of the sheer size of the area to be covered with no assistants, because he had to paint under

* Painter and director of Spaces for Art.

Elsie Montiel

Patzcuaro fishermen in their picturesque boats.

candle light, and because of the techniques used. The project was fascinating, however. Alva de la Canal delighted in discovering the details of the life of Morelos, "the Servant of the Nation," as he covered 250 square meters of the interior of the statue. He painted 56 panels on five different levels, using mixed techniques with great mastery: frescoes, encaustics and tempera.

The forms, colors, lines, subtleties and transitions of light of *The Life of Morelos* reflect Alva de la Canal's intense artistic personality and his ability to combine the individual's life story with the most transcendental moments of our nation's history. Don Ramón began his day at sunrise and almost always stayed on his scaffolding until he could hear the 8 p.m. train go by, when the sun had long since gone down. During his stay in Janitzio, in addition to family members and curious tourists, he had many distinguished visitors who came to watch him paint, among them Diego Rivera, Generals Lázaro Cárdenas and Francisco Múgica and Leon Trotsky.

An excellent host, Alva de la Canal invariably surprised his guests with a snifter served from a Courvoisier bottle. But instead of cognac, the bottle held a local spirit, *charanda*, mixed with raisins. Alva said that the mixture tasted just like cognac and swore none of his visitors ever guessed what they were drinking unless he told them.

Elsie Montiel

The mural has 56 panels painted in different techniques.

Daniel Munguia

When the mural was finished, President Cárdenas was so pleased with it that he commissioned Alva to do other works: *Galeana*, *Melchor Ocampo*, *Don Vasco de Quiroga*, *Juárez*, *Dr. Silva* and *Meeting of General Manuel Ávila Camacho and Roosevelt*. When his term was over, Cárdenas —popularly known as "El Tata", or grandfather— used to go to Alva's studio to watch him paint because he greatly appreciated him as both an artist and a friend. Today, the mural is not only an homage to Morelos as a historical figure, but a testimony to the technique and artistic qualities of one of the initiators of the Mexican muralist movement whose name is sometimes forgotten when "the big three" (Diego Rivera, José Clemente Orozco and David Alfaro Siqueiros) are mentioned.

Brief Notes on the Painter's Life

Ramón Alva de la Canal was born in 1892, the oldest of 10 children. His father was a wealthy Morelia merchant related to Thomas Alva Edison, and his mother, Ma-

Alva de la Canal delighted in discovering the details of the life of Morelos, "the Servant of the Nation," as he covered 250 square meters of the interior of the statue.

Elsie Montiel

ría Teresa de la Canal Fernández de Jáuregui, was a descendent of the Count De la Canal. As a very small child, he showed a proclivity for painting. When he was still in primary school, his father took him to the San Carlos Academy where years later he would meet the great masters of his time and become part of the teaching staff. Alva de la Canal worked in art education from a very young age.

From 1920 on, as a painting teacher at the San Carlos Academy, he illustrated editions of the classics published by the Ministry of Public Instruction. The ministry, headed up at that time by José Vasconcelos, carried out an intense cultural campaign that included not only publishing classic books for mass distribution, but also support for historic mural painting, which gave rise to the muralist movement. Alva de la Canal would participate enthusiastically in both programs. In 1922, in the entryway of the National High School, he painted the 56-meter-long *The Cross Coming Ashore*, the first fresco in the history of Mexican muralism. He worked on it at the same time that Fermín Revueltas

Daniel Mungula

Elsie Montiel

The forms, colors, lines, subtleties and transitions of light of *The Life of Morelos* reflect Alva de la Canal's intense artistic personality.

Elsie Montiel

A street in Janitzio.

was painting *The Allegory of Our Lady of Guadalupe* in encaustic in the school's hallway. Thus, both are considered the initiators of the muralism with historic and social themes that "the big three" and other muralists would later continue. In his fresco, Alva de la Canal used "the Saint John's white" that would be used later only by Orozco. Subsequently, De la Canal became part of the "stridentist" movement, that aimed to renew and modernize Mexican letters. Iconoclasts, the lively "stridentists" Maples Arce, List Arzubide, Arqueles Vela and Alva de la Canal adopted the language of the international avant gardes. Their work was accused of being influenced by cubism and futurism, seen for example in a series of book covers and posters done by Alva de la Canal between 1925 and 1927, as well as in his oil painting *Nobody's Café*, currently on display in Mexico City's National Art Museum.

After painting *The Life of Morelos*, Alva de la Canal did a triptych in the workshops of the Ministry of the Navy and the mural at Mexico City's Cervantes Library (1957). In 1981, he became a full member of the Mexican Academy of the Arts, and one year later, he founded the movement "Spaces for Art" together with Alfredo Zalce and myself. Ramón Alva de la Canal died in 1985. MM

Jerónimo Mateo, *Corpus in Janitzio*,
50 x 65 cm, 2002 (oil on canvas).

Jesús Escalera, *Searching*,
80 x 120 cm, 2000
(oil-transpainting on canvas).

Luis Palomares, *Golgotha*,
120 x 150 cm, 1994
(oil on canvas).

Behind the Art
Three Michoacán Painters

Ariel Ruiz Magaña*

Twentieth-century Michoacán art is marked by Alfredo Zalce, painter, sculptor, promoter of the arts in his state and distinguished representative of Mexican muralism. Nevertheless, Michoacán, a land of artists, has given our country other brushes. Jerónimo Mateo, Jesús Escalera and Luis Palomares have received differing degrees of recognition for their work nationwide and in their home state, but they have always had their own voices. Those voices are based on solid careers and an authentic pleasure in the art of painting, as they themselves show in three brief interviews for *Voices of Mexico*.

JERÓNIMO MATEO

MICHOACÁN ARTIST

Anchored in traditionalist painting, Jerónimo says he is not interested in other currents, much less in "specialized" critics' opinions. Our interview begins amidst canvases of the Pátzcuaro Lake region.

"My history is a bit strange, very special. I was born in a Purépecha town, San Jerónimo Purenchécuaro. It is very marginalized, even more so when I was growing up. I was born in 1936 and I'm 68 now. At that time, it was a forgotten town, with no means of communication. When I arrived in Morelia, the city was foreign to my culture, my experience. I spoke Purépecha and didn't understand Spanish. Arriving in a strange place is like being mute, using just sign language. So much so that many people made fun of me because I couldn't communicate directly. All that was frustrating, but I look at it positively: I think it was my destiny."

With only a primary school education, Jerónimo entered the People's Fine Arts School to take Alfredo Zalce's painting workshops. "The workshops were taught by two teachers, Trinidad Osorio, who taught sketching and painting, and Antonio Trejo, who taught engraving. Both resigned —I don't know why— two years later, so Alfredo Zalce took over the class. I wanted to get closer to him as a teacher, but he thought I already had enough tools thanks to my previous teachers, so he taught me very little. I think he respected me a great deal, which is why he made me his assistant. He told me to take charge of the new students, and that was a compliment."

After six years in the workshops, Jerónimo went back to school, progressing to medical school. Halfway through his major, however, the rector of the San Nicolás Hidalgo Michoacán (UMSNH) University asked him to take over the painting and engraving classes at the People's Fine Arts School. "At the same time, the Social Security Institute appointed me advisor for artistic activities. This left me with no choice but to leave medical school and spend all my time teaching. One of the benefits at the Social Security Institute was training; I took advantage of it every year to go to Mexico City and bring myself up to date. I spent 30 years at the People's Fine Arts School and retired both there and from the Social Security Institute. After that, I was free to spend all my time painting."

Jerónimo recognizes the influence of Diego Rivera and José Clemente Orozco in his painting.

* Director of the Morelia, Michoacán Institute for the Study of Public Administration, Governability and Municipalization.

Photos by Ricardo Carreón.

Purépecha Easter Week, 50 x 65 cm, 2004 (oil on canvas).

Corpus Christi, 50 x 65 cm, 2003 (oil on canvas).

Straw Bull, 50 x 65 cm, 2002 (oil on canvas).

"I like to go into the towns and paint the people. It makes them happy to see themselves on a canvas, and I please them."

The differences, he says, are in the themes, since his work is completely given over to Purépecha customs. "I still have more to paint because there are many ancestral regions in Michoacán. I have already been in Ostula, a Nahuatl region. There are also Otomís and mestizos in Tierra Caliente. I tend to paint what is ours, reflecting Michoacán customs."

Two years ago he visited Parthenay, France, where he gave a lecture about Purépecha culture. "Some of my works stayed over there. Thanks to this kind of exhibit, we can disseminate our traditions, but there isn't much official support for promotion. My work is not avant garde or anything like that. I simply try to maintain what is mine. I respect those who seek other kinds of expression, like Zalce himself. But not me. That's not my style. I am not interested in being influenced by other currents. It's enough for me to talk with people in the towns, people who tell me their story. I think that before imagining ourselves, we should observe and think about what we're seeing. That, in broad strokes, is my current.

"You know that critics want new things, very strange things. But I like to go into the towns and paint the people. It makes them happy to see themselves on a canvas, and I please them. I'm not interested in academic criticism. I'm interested in people, in my people being painted. That's what I like and makes me happy. Sometimes people tell me I should modernize, seek out other currents. But I was born Purépecha and I'll die Purépecha."

JESÚS ESCALERA

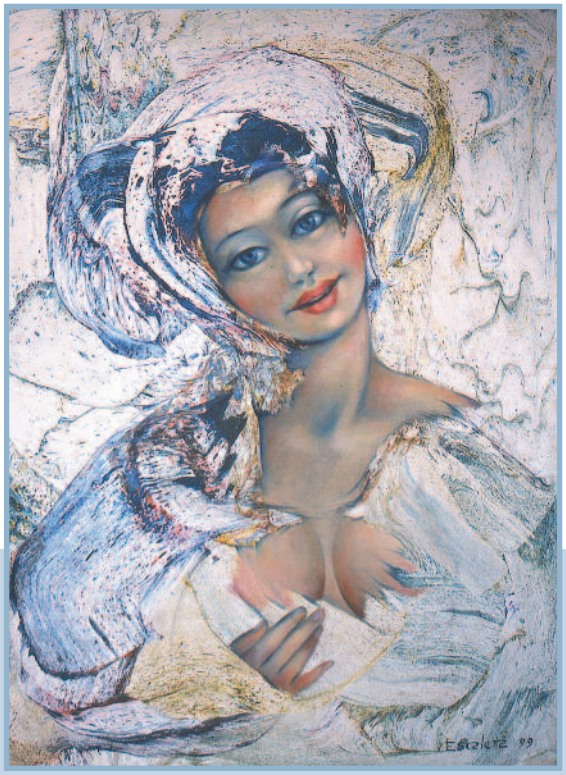
An Artist's Zigzags

Originally from a little hamlet in Peribán, Michoacán, where he lived as a country boy, Jesús Escalera kindly accepts talking about his start as a painter and his work today. "I have wonderful memories. My early childhood was happy. It can't be compared with life in the town I went to after the birth of the Paricutín Volcano in 1942. My father couldn't raise cattle any more because the land was covered with ash, and we had to leave for Jacona, south of Zamora. I did my first drawings in primary school. That's where my liking for painting was born." He says that having been an altar boy may be the reason he likes religious art. "I began to like the objects, the paintings, the sculptures; while there, in fact, I copied the Dolorosa, the Divine Face and other saints."

Escalera met Rosalío González, a magnificent religious artist who taught him to use oils, to prepare canvases, to sketch his first images and copy saints. In time, he won a scholarship to study in Morelia. "I went to what was left of the Porfirio Díaz Military School in the Clavijero Palace. At school, I met a wonderful director, Melesio Aguilar Ferreira, whose secretary was another intellectual, Samuel Calvillo. Together, they decided that I should go directly to the workshops of Alfredo Zalce and his assistant Manuel Pérez Coronado (Mapeco)." In 1951, Jesús painted a canvas of Morelia's old airport. This was the preamble to teacher Trinidad Osorio helping him travel to Mexico City to participate in an exhibition in the recently created National Institute for Mexican Youth. "They gave me a 500-peso scholarship, an enormous sum for a student. That would have been enough for me to go to the Esmeralda Academy in Mexico City. But Zalce offered to do the paperwork so that the scholarship could be used in Morelia. He was successful, and I began to work in the People's Fine Arts School. In 1955, Osorio offered me a job at the Visual Arts Normal School. I spent 30 years of my life there."

In the mid-1960s, Escalera mounted exhibitions in Mexico City's Chapultepec Gallery and the People's Fine Arts School in Morelia. "Together with the poet De la Torre, we founded the Contemporary Art Museum in Morelia. We organized some good exhibits. In 1967 I was named director of the People's Fine Arts School, and in 1978, I was asked to bring the National Fine Arts Institute's Center for Artistic Education to Morelia and create one there."

Jesús Escalera takes the time to reflect on his chosen profession: "The life of a visual artist is peculiar: it is not a group effort. It's a solitary existence. The world passes us by, and we concentrate



Spring, 80 x 60 cm, 2001 (oil-transpainting on canvas).

"The life of a visual artist
is peculiar: it is not a group effort.
It's a solitary existence."

on our own world, which is our studio. And sometimes we pay the price of not knowing people, of not having any contact with people except in galleries."

About his relationship with Alfredo Zalce, Escalera says, "He taught me about life. He was not a theoretician about art, and I say that in recognition. He himself was unfamiliar with technique, which is why he always worked in workshops. But he was an extraordinary engraver. That is the kind side of Zalce. Things changed with time because he didn't let us develop, and I had other aims. I wanted to change my painting. He didn't like that and I preferred to strike out on my own."

Situated in interiorism, amidst the student strife of the late 1960s, Escalera's canvases reflected anxiety. "But then I started doing a different kind of painting, with a different use of composition, of attitudes: landscapes, fruit, children's faces. I remember that the poet Martínez Ocaranza used to say to me, 'Why do you paint the happy faces of children laughing when you should depict them in ashes, in uncertainty?' I simply answered that that was how I wanted to see them. The artist has the gift of bringing to life today's situation in his figures. In one of my last exhibitions, I showed a canvas about the military intervention in Iraq, seeking a peace that had been destroyed. By the way, I had the good fortune of that painting being the background of José Saramago's lecture when he visited Morelia."

Before concluding the interview, Escalera briefly commented on his murals. "I am proud they are in such important places as the building of the *La Voz de Michoacán* newspaper, the Normal School or the auditorium of Morelia's University City. And I am here, at your service."

Cándida, 42 x 12 x 12 cm, 1998 (high temperature fired ceramic).

Torso, 80 x 60 cm, 1978 (oil-transpainting on canvas).

LUIS PALOMARES

A Great Landscape Artist

Palomares was born in the small Michoacán town of Huaniqueo de Morales in 1932. He grew up in the countryside, working long days on the land. In 1947, he began to want to study painting. He did not conceive of it as a career, but since the time he had been a small boy, he had had a talent for drawing. "I went to the People's Fine Arts School in Morelia and learned the basics of drawing and painting. I liked it very much; I spent three years there and then left for Mexico City. I managed to get into the National School of Visual Arts at the National Autonomous University of Mexico." Smiling, Palomares recognizes that he was filled with fear when he finished his studies. "I didn't think an artist's life was so difficult. I thought it was a matter of finishing a painting and selling it the next day."

After traveling a year and a half through Central America, in 1957, the young Palomares took his final exams and, right away, met with the difficulties inherent in the art market. "A long time went by, and I came to the conclusion that I needed something secure. I wanted to be in the art world, but I also needed to fill my stomach, because you can't just live on air. I thought I should become a teacher, which I had always avoided." So, he went to the National Fine Arts Institute to apply for a job as a drawing teacher in primary and junior high schools or in one of the art initiation schools that existed at the time. "I was just starting out. I didn't dare even exhibit in galleries because I thought my work wasn't solid. I had to work very hard and combine my work with teaching. Fortunately, I managed to get a grant to organize an exhibit and then go back to work."

Time went by and Palomares' work was not noticed. But, with perseverance, he managed to enter a few contests and finally he got his first one-year grant. "I couldn't believe it. I could spend all my time painting without worrying about anything else. I took an enormous step forward in my development, discovering what it was I wanted and how I wanted to do it. Several currents influenced me. At first, the academicians, then an impressionist stage; and another Orozco-centered stage. I couldn't find my way forward. In that year, I figured out what I wanted to do. I did a lot of painting. I discovered a way forward that I have continued to travel until today."

Popocatépetl 2000, 230 x 120 cm, 2003 (acrylic on canvas).

Fortunately, the scholarships and grants kept coming and he was able to dedicate himself solely to art. "There was a proposal to give any teacher who received three scholarships the title of Creator of Art and give him a life-long grant. Fortunately, I have that honor. So, I spent all my time painting. I had exhibitions often. But my son became ill, and we had to leave Mexico City and come back to Morelia. To a certain extent, this gave me peace. I arrived in 1991 and since then I have been able to dedicate myself to my projects. Leaving the country's capital, however, did mean I lost a lot of contacts, to the extent that today, a lot of people ask them-

selves who Luis Palomares is." The artist speaks of his two loves: landscapes and the human figure. "I have become a painter who denounces the damage done to nature. That is an artist's job: telling the viewer that there are other ways of seeing it and that there is also beauty there. I think I am rather revolutionary with regard to composition. I am influenced by a difficult childhood and all of that is reflected in my work."

Palomares has had individual exhibitions in the Fine Arts Palace, the Siqueiros Polyforum, San Ildefonso, the San Carlos Academy, the University City Museum of Michoacán University and, to celebrate his fiftieth anniversary as an artist, in the Alfredo Zalce Contemporary Art Museum in Morelia.

Finishing up, Luis Palomares says that "if God grants him life," he would like to exhibit his work in other regions of the country because he has done a great deal in 55 years. "I got the National Council for Culture and the Arts to pay attention to me and organized a traveling exhibit in Central-Western Mexico. It will give me the chance to go back, for me to be recognized. I am interested in constructive criticism. I want to have shows. I hope they give me the chance to do it. I have tried to in Mexico City; there are steel barriers that are not easy for me to cross, but I hope to be able to." VM

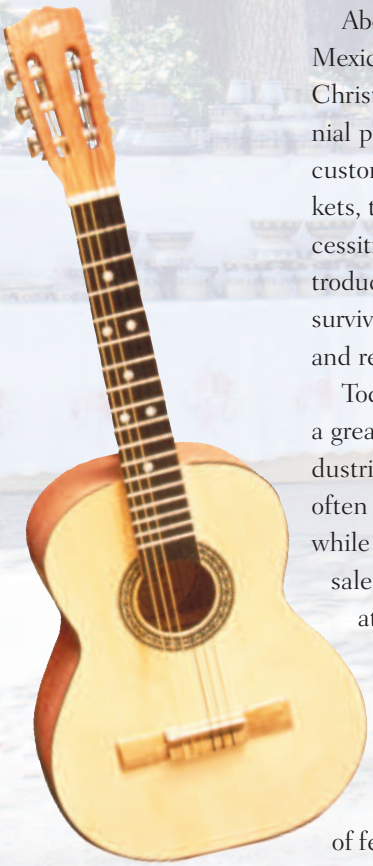
"I didn't think an artist's life
was so difficult. I thought it was a matter of finishing
a painting and selling it the next day."

Thicket, 180 x 130 cm, 1978 (oil on canvas).

Craters, 180 x 130 cm, 1996 (acrylic on canvas).

Michoacán's Fairs A Lively Tradition

Zulema Carrillo*
Arturo Ysi**



Long a lively tradition fostering unity and entertainment for the public, Mexico's fairs have changed through the years. They have not only become one of the main spaces for recovering cultural tradition, but also a means for promoting the productive wealth of our cities and states.

About 2,446 fairs and festivities are held in Mexico every year, most dedicated to Corpus Christi and patron saints. During the colonial period in the Americas, the indigenous custom of gathering in the *tianguis*, or markets, to sell their products and buy basic necessities was used by evangelist friars to introduce Christian religious practices which survive until today as a mixture of festivities and religious observance.

Today, many fairs find the space to display a great variety of crafts, food, cattle and industrial, agricultural and cultural products, often part of the local cultural tradition. So, while the fairs' objective is to promote the sale and consumption of particular items, at the same time, they are an opportunity to publicize production techniques that have been transmitted from generation to generation, sometimes for more than 300 years. The towns where they are held retain the legacy of festivities and commemorate important events that continue to be of great social significance: the solidarity among locals is strengthened, fortifying the links among participating towns.

Michoacán's Fairs

Michoacán is one of the states that has the richest history and cultural wealth and that has preserved its roots the most nationwide. This can be seen in the more than 60 fairs held statewide annually.[1] In fact, several fairs and festivities date back to pre-Hispanic times, such as the Tarecuato *Atole* Fair, which centers around the thick, flavored beverage, *atole*. Before the Spaniards arrived *atole* was frequently used in trading in kind, particularly by Nahuatl salt merchants who went through the town on their route from the coast to Central Mexico.

Ninety percent of Michoacán's festivities are rooted in Corpus Christi and the celebration of patron saints' days. One example is Tuxpan's Flower Fair in which the exhibition and sale of gladioluses commemorates the Apostle Saint James, the town's patron saint.

Another kind of fair pays homage to different trades. One very popular example of this is the town of Santa Clara del Cobre, where for 38 years, local artisans have been holding a fair displaying their imaginative, masterful work in copper ware.

But for longstanding festivities, Zitácuaro, located in the eastern part of Michoacán, cannot be beat: this year it will hold the 107th

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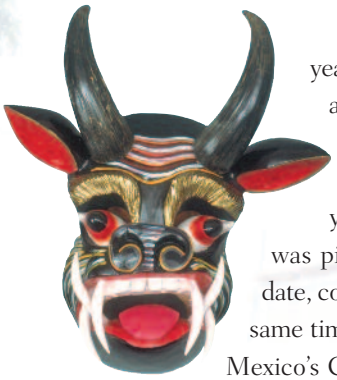
** Communications expert and COFEEEM collaborator.



yearly fair, today known as the Zitácuaro Expo Fair. It was first held in 1897, and 83 years ago, February 5 was picked as the central date, commemorating at the same time the anniversary of Mexico's Constitution.

The fiestas have evolved over time. Some have become displays for the wealth of products and customs and traditions of each town. The most original and economically important in the state are the Morelia fair; the Santa Clara del Cobre Fair in the municipality of Salvador Escalante; Paracho's Guitar Fair; Senguio's International Mushroom Fair; and the Christmas Tree Ball Fair in Tlalpujahua.

There are also innumerable fairs that, while they have not become as prominent as those mentioned above, are important because they embody the history, customs and culture of the municipalities, as well as promoting local production.

300 Years of Spicy Tradition

An example of a fair that promotes regional production, fostering the tradition and history of the product itself, is the Chili Pepper Fair in the municipality of Queréndaro. It has the touch of history and tradition required to interest locals and outsiders alike at the same time that it fosters production and consumption of *criollo* chili peppers.

This is one of the state's most recent fairs: it has only been held twice (next August will be the third). More than 20 stands are set up in the town's main plaza offering visitors different varieties of *criollo* chili peppers: processed, dried and cooked in typical local dishes like *capon* (chili peppers fixed with eggs and sausage) or sliced and cooked. In Queréndaro, *criollo* chili peppers are mainly grown for local consumption, but evidence shows that since 1520, they have been used in a wide variety of dishes in Michoacán cuisine all over the state. Even today, they are still only grown in Queréndaro.

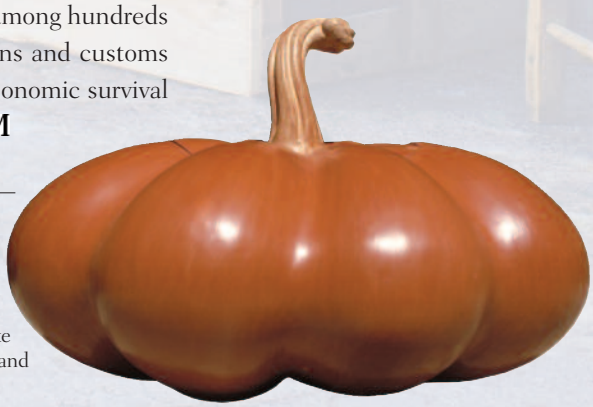
During the fair, local inhabitants serve food made with *criollo* chili peppers, giving the local cuisine its distinctive taste. The town dresses up with a parade of floats; sports contests; concerts; lectures; pictorial, photographic, archaeological and craft exhibitions; competitions of local dishes; and the sale of local sweet rolls, like wheat, corn and garbanzo bean *gorditas* and egg bread.

What gives the Chili Pepper Fair its distinguishing touch, however, is the exhibition of the way the chili peppers are hand dried, a process passed on from generation to generation for more than three centuries, which gives the peppers their distinctive flavor.

For three days, local inhabitants take visitors on guided tours of the 40 hectares of chile fields, which yield only one harvest a year. They show them the drying process that has not varied for centuries: the chili peppers are placed on straw mats in the sun in the patios of the houses. This tour has been very popular among visitors to the two fairs that have been held so far.

There is also scientific interest in the *criollo* chili peppers: the National Autonomous University of Mexico is working with the Queréndaro township on a study after organizations like the World Development Bank showed an interest in it.

This is just one example among hundreds of the adaptation of traditions and customs to the need for social and economic survival in our country's towns. VM



Notes

[1] The fairs are organized in coordination with the Michoacán State Commission for Fairs, Exhibitions and Events (COFEEEM).

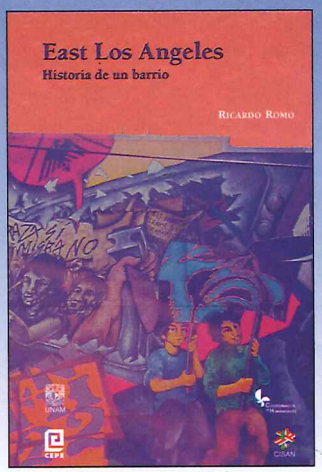
CISAN

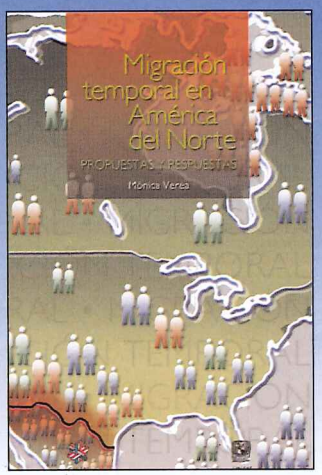
publications

East Los Angeles. Historia de un barrio

Ricardo Romo

This book, a classic in its field, traces the history of the largest and most important Mexican American community in the United States, East Lost Angeles. It is a detailed review of the development of a community that has had to construct and defend its identity to survive in what were often hostile surroundings. The book also sketches the beginnings of the Chicano movement and the emergence of Mexican-American political and social organizations.





Migración temporal en América del Norte. Propuestas y respuestas

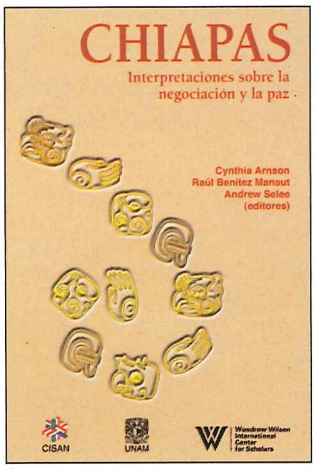
Mónica Verea

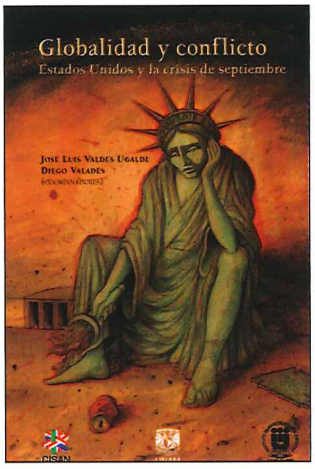
The author puts forward the causes behind international migration and studies the evolution of policies on temporary migrants (tourists, businessmen, workers and students) to the United States and Canada, their impact on the integration of Latino communities in general and Mexican communities in particular, and how the September 11 attacks were a turning point in the regional migratory debate.

Chiapas. Interpretaciones sobre la negociación y la paz

Cinthia Arnson,
Raúl Benítez Manaut,
Andrew Selee, comps.

This book presents the debate on the Chiapas peace process and the causes behind the failure of the negotiations. Mexican and foreign academics, as well as some of the conflict's protagonists, analyze its structural causes, indigenous rights and the San Andrés Accords.





Globalidad y conflicto. Estados Unidos y la crisis de septiembre

José Luis Valdés Ugalde
and Diego Valadés, comp.

The events of September 11, 2001 have prompted the concepts of security and globalization to be posed in different ways and have given them new meaning. This book is the first Spanish-language academic publication in which specialists from different fields analyze these issues.

For further information contact:
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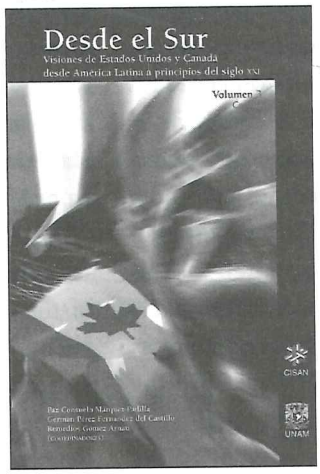
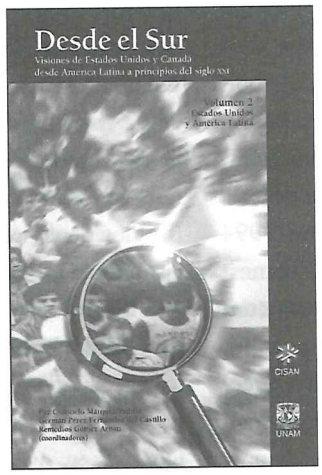
publications

Desde el sur. Visiones de Estados Unidos y Canadá desde América Latina a principios del siglo XXI, vol. 3, Canadá

Paz Consuelo Márquez-Padilla, Germán Pérez Fernández del Castillo, Remedios Gómez Arnau, comps.

Stimulating articles by well-known Canada scholars make up the third and last volume of this series, reflecting the country's different characteristics: a post-national, multicultural, pro-internationalist and multilateral state, receiver of migrants, a paradigm of economic policies and development and a dynamic player in America's and the world's political and economic concert.





Desde el Sur. Visiones de Estados Unidos y Canadá desde América Latina a principios del siglo XXI, *vol. 2.*

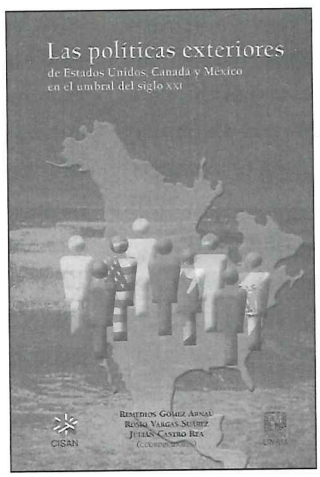
Paz Consuelo Marquéz-Padilla, Germán Pérez Fernández del Castillo and Remedios Gómez Arnau, comp.

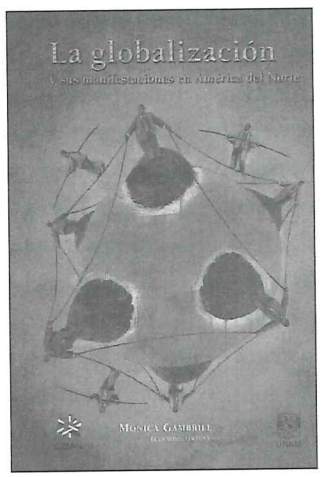
This book looks at relations between Latin America and the United States. Although national security subsumes bilateral agenda issues, reality demands observers look at other matters of continuing importance: migration and human rights, employment and productivity, international trade and labor, as well as resurfacing nativism in U.S. immigration policy.

Las políticas exteriores de Estados Unidos, Canadá y México en el umbral del siglo XXI

Remedios Gómez Arnau, Rosío Vargas Suárez and Julian Castro Rea, comp.

Foreign policy design in North America has been reformulated with the beginning of the new century. The U.S. faces the choice of acting alone or through multilateral cooperation in matters of national security. Using the concept of "human security", the authors look at the perspectives for Canadian foreign policy. Mexico, for its part, is seen in light of the redefinition of its foreign policy, particularly vis-à-vis its multiple trade agreements.





La globalización y sus manifestaciones en América del Norte

Mónica Gambrill, comp.

In light of the importance of globalization today, scholars from different countries have contributed articles to this book about issues that it affects: the economy, political power, NAFTA, the labor market, drug trafficking, the environment, the judicial branch of government and cultural industries.

Forthcoming:

Fronteras en América del Norte. Estudios multidisciplinarios
Una herida por otra. Testimonios de latin@s en Estados Unidos sobre 11/s.
Cambio climático: desacuerdo entre E.U. y Europa

Mexico's Foreign Trade in Trouble China's Impact

Gerardo Bracho*

The Causes of Mexico's Economic Slowdown

NAFTA is already 10 years old. Its tenth anniversary last January 1 has naturally stimulated much debate on its benefits and costs to Mexico. But whatever the assessment, there is no doubt that during the last three years, Mexico's export growth model, largely based on NAFTA, has been running into serious problems. After growing at reasonable rates for a number of years following the 1994 debacle, in 2001 Mexico's gross domestic product (GDP) fell by 0.3 percent while its exports slumped by 5 percent. At first glance, these results looked very much like the price of Mexico's high level of integration to the U.S. economy because even if in contrast to Mexico the U.S. managed to achieve some minimal growth (0.5 percent) in that same year, its imports fell by 6.4 percent. This last fact could plausibly explain the drop in Mexican exports, and, given the weight and the role of exports in the Mexican economy, probably most of the drop in Mexico's GDP.

Indeed this is how the Mexican government and many other institutions and analysts explained Mexico's slowdown.[1] But it soon became clear that Mexico's problems, even if mainly caused by the downturn of the U.S. economy, did not stop there. If in 2002 Mexican exports to the U.S. grew in tandem with total American imports, in 2003, total U.S. imports grew by 8.4 percent, but Mexican exports to the U.S. only by 1.6 percent. Moreover this slight rise was mainly due to high oil prices. These figures suggest that Mexico has been suffering not only from the slowdown in the U.S. economy but also from a loss of competitiveness. This mostly explains why the U.S. recovery is not pulling the Mexican economy as it was expected to. While in 2003 the U.S. achieved 3.5 percent growth, Mexico grew by only 1.2 percent. The fall of Mexico's exports to the U.S. has not been counteracted by its exports to the rest of the world, which in any case account for a very small share of the total. So all in all, because of the double impact of a slowdown of the American economy and a loss of competitiveness, Mexico's total exports in 2003 were lower than their 2000 peak.

Mexico has been losing a share of the U.S. market to East Asia, but mainly to China, with whom it directly competes in two of its main export niches: electronic goods and apparel. Exports from Mexico and China to the U.S. grew in tandem during the second half of the 1990s, but starkly diverged in 2000. While during the last three years U.S. imports from China were on average 26.6 percent higher than their 2000 level, those coming from Mexico were on average 0.8 percent lower.

The trends I just described are summed up in Graph 1 that plots recent growth in U.S. imports of goods from Mexico, China and the whole world (total imports). Take first the curves that show total U.S. imports and imports from Mexico. See how during the 1990s, Mexico's exports to the U.S. grew at high rates and constantly increased their share of the U.S. market (the distance between both curves shows the gain or loss of market share). See how the view of Mexico's slowdown that entirely blames the U.S. economy stands up nicely until 2002. Up to then, Mexico's exports to the U.S. fell in tandem with U.S. total imports so no year-to-year loss in market share was involved. Finally, see how during 2003 these two curves strongly diverge, suggesting that Mexico's slowdown and weak recovery have to be explained by additional factors. Now bring in China. During the 1990s, even though it received no favorable NAFTA treatment but faced serious trade barriers, China's rates of export growth to the U.S. were similar to Mexico's. But from 2001 onward as those barriers contracted when China was admitted to the World Trade Organization (WTO), they diverge drastically.

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Given the fact that Mexico and China are direct competitors, such development clearly signalled that something harsh was brewing for Mexico. This has become evident as China has toppled Mexico as the second largest exporter to the U.S. and has been eating into Mexico's share of U.S. imports.

Mexico's Trade System And Its Competitiveness Problem

In principle, a country's competitiveness can shift for three reasons: changes in its domestic economic and political environment; changes in the environment of its competitors; or changes in the trade system. Without arguing that the first two causes are not present or are not important, I will focus on the third.

An important and on-going shift in Mexico's trade regime has been a major cause of its loss of competitiveness. Now it looks clear that since NAFTA, Mexico enjoyed a window of opportunity of preferential access to the U.S. market that is now beginning to close. The window was kept wide open for a number of reasons, among them: a passive U.S. trade policy; limited implementation of NAFTA rules of origin; the exclusion of China from the WTO; and an especially advantageous treatment by the U.S. of Mexico's textiles and apparel. I shall briefly comment each of these in turn.

1. After the adoption of NAFTA, the U.S. Congress did not renew President Clinton's fast track authority (now called "trade promotion authority") to negotiate new trade agreements.[2] So in practice, for many years, the U.S. administration could not offer other less developed countries (LDC) similar advantages to those Mexico got in NAFTA (an exception to this is the Caribbean Trade Partnership Act that I mention below). But now this has changed. In August 2002 President Bush received this authority, and he has been adamant in promoting bilateral and regional agreements, even more so after the failure of multilateral talks in Cancún. In fact, the U.S. recently signed its first post-NAFTA bilateral agreement in Latin America with Chile. On the other hand it has encountered problems in advancing its own vision of a Free Trade Area of the Americas, which as Robert Zoellick, the U.S. representative for Mexico, recently put it, should

Table 1. Mexico's Trade with Regional and Bilateral Free Trade Agreement Partners (Millions of dollars)

FTA	Date when FTA was launched	Number of countries	Exports before FTA	Imports before FTA	Trade balance	Exports 2003	Imports 2003	Trade balance
1. Chile	1992	1	127 (91)	50 (91)	+77	323	1,082	-759
2. Costa Rica	1995	1	95 (94)	28 (94)	+67	332	584	-252
3. G3[1]	1995	2	480 (94)	418 (94)	+62	849	972	-123
4. Bolivia	1995	1	13 (94)	19 (94)	-6	24	29	-5
5. Nicaragua	1998	1	73 (97)	11 (97)	+62	111	38	+74
6. European Union	2000	15	5,203 (99)	12,743 (99)	-7,540	5,592	17,862	-12,270
7. Israel	2000	1	38 (99)	172 (99)	-134	57	314	-257
8. AELC[2]	2001	3	587 (2000)	857 (2000)	-270	707	921	-214
9. Northern Triangle[3]	2001	3	984 (2000)	124 (2000)	+860	1,009	242	+766
10. Uruguay[4]	2001	1	108	83 (2000)	+25	142	102	+40

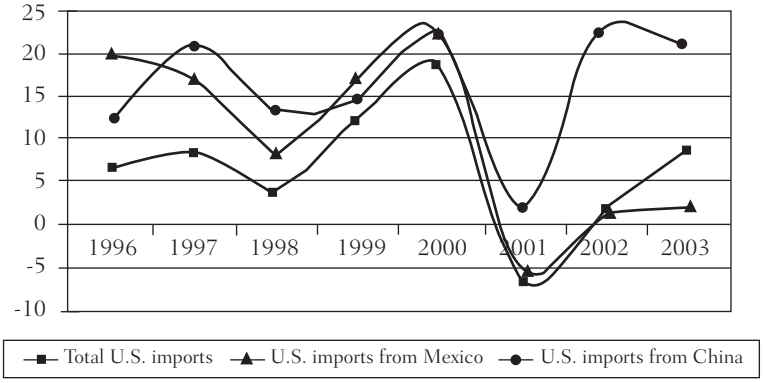
[1] Colombia and Venezuela.
[2] Norway, Liechtenstein, Switzerland and Iceland.
[3] El Salvador, Guatemala and Honduras.
[4] In 2001 Mexico launched a so-called "Supplementary Economic Accord" with Uruguay. Mexico signed a formal FTA with Uruguay, November 15, 2003.

Source: The list of FTAs taken from Gobierno de México, *Examen de las políticas comerciales de México*. Document presented before the WTO, March 15, 2002, p. 11. WTO document: WT/TPR/G/97. Data from Ministry of the Economy and the National Statistics Institute (INEGI).

be "an extension of NAFTA" to the whole hemisphere. So far, with the exception of apparel, the United States' renewed regionalism does not seem to have played a significant role among Mexico's exporters.

2. Until recently, NAFTA rules of origin had not been strictly applied. But since 2001, NAFTA article 303 has prohibited Mexico from allowing non-regional imports into the country duty free. If the final product will be sold in a NAFTA country, exporters must now pay Mexican import duties on their non-NAFTA inputs.[3] The implementation of article 303 entails a decrease in Mexico's preferential terms of access to U.S. markets.
3. Since NAFTA, Mexican privileged access to the U.S. market in apparel surpassed that until then enjoyed by Caribbean and Central American countries under the Caribbean Basin Initiative (CBI). This advantage shrank in May 2000 when the U.S. Congress gave the green light to the Caribbean Trade Partnership Act (CBTPA), which enhanced the CBI and effectively gave NAFTA privileges to those countries.[4] Moreover, the edge in apparel and textiles that Mexico has enjoyed for years and which allowed it to win a U.S. market share from CBI countries and East Asia is bound to deteriorate further due to the new U.S. bilateral and regional trade activism, but more importantly, because the Multifiber Arrangement is scheduled to expire by the end of 2004. So far, with respect to the North American market, Mexico has been exempted from this quota agreement designed to protect the developed world's domestic apparel and textile markets. But soon it will have to share a much more levelled field with a host of other less developed countries.
4. The last and so far more important factor is that China was relatively kept out of the U.S. market (and elsewhere) by not being a WTO member. This meant that it faced high tariff and non-tariff barriers. Sensing the troubles that China would cause, Mexico was the last country to keep China from joining the WTO. When Mexico finally gave in and China joined in 2001, its worst nightmares came true: Chinese competition not only threatened its exporters but also its local producers. I shall come back to this point below.

GRAPH 1. U.S. IMPORTS (GROWTH RATES)



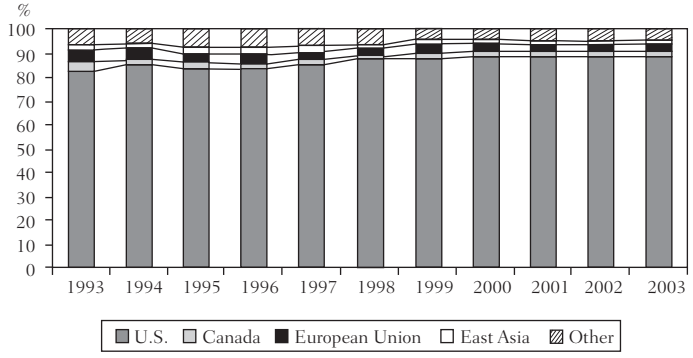
Source: Based on data from Ministry of the Economy (Mexico) and the U.S. Census Bureau.

MEXICO'S CHANGING TRADE PATTERN AND TRADE POLICIES

As Mexico's trade environment deteriorates and is likely to deteriorate even more in the near future, it is not clear where Mexico's trade policies are heading. Since NAFTA, Mexico focused on completing as many bilateral and regional trade agreements as possible. By early 2002, Mexico had the most comprehensive network of free trade agreements in the world, embracing 31 countries with a total market of 850 million consumers.[5] This strategy had three objectives. First, to diversify Mexico's trade in order to reduce its dependence on the United States. Second, to attract foreign investment by marketing Mexico's preferential access to the U.S. under NAFTA. Third, to open new markets to Mexico's exports. At the time, then-Mexican Trade Minister Herminio Blanco, argued that Mexico's trade policies in the early 1990s, both in multilateral and regional-bilateral terms, aimed at "guaranteeing reciprocity to Mexico's liberalization".[6] The idea was that since our markets were already quite open mainly due to a policy of unilateral liberalization, the trade agreements would more than anything benefit our exports.

But just when the regional and bilateral strategy was becoming fashionable elsewhere, Mexico lost enthusiasm for it. In November of last year, Fernando Canales, current Mexican minister of the economy, announced that Mexico was not going to engage in any new talks leading to bilateral or regional agreements. Talks with a num-

GRAPH 2. MEXICAN EXPORTS
(%)



Source: Based on data from Ministry of the Economy (Mexico).

ber of countries are still on-going. But Canales stated that Mexico would only sign a bilateral agreement with Japan and a regional one with the Americas (the Free Trade Area of the Americas) if it considered it in its interest to do so. Canales did not go deeply into the reasons for this sudden about-face in policy. But it may be that Mexico is having second thoughts about the usefulness of these free trade agreements, especially in the new, more challenging circumstances. On the one hand, you do not always need these agreements to promote foreign investment. In fact Mexico has investment agreements that do not involve trade. On the other hand, it does not seem that these agreements have helped to diversify Mexico's trade. Let's analyze this last issue in more detail.

During NAFTA's first seven years (1994-2000), Mexico's foreign trade expanded rapidly at around 20 percent a year. At the same time, the share of this trade that took place with the U.S. also grew: from 82.7 percent to 88.3 percent of the total in exports and from 69.1 percent to 73 percent of the total in imports (see graphs 2 and 3). Thus if in 1993, on the eve of NAFTA, 75 percent of all Mexican trade took place with the U.S., by 2000 that share had grown to 81 percent. Up until then NAFTA tended to concentrate Mexico's trade.

From 2001 onward, however, just as the Mexican economy was abruptly cooling down, Mexico's trade began to diversify rapidly. By the end of 2003, the U.S. share of Mexico's total trade fell back to 75 percent, the same share it had on the eve of NAFTA. Finally, Mexico was getting some trade diversification, not through exports as Blanco had expected, but through imports. While Mexico's share of total exports to the U.S. reached 88 percent in 2000 and stayed there up to the end of 2003, its share of imports from the U.S. fell in more than 10 points: from 73 percent to 62 percent of the total. Since during these years of virtually no growth, total Mexican imports have been falling, this means that Mexico has been buying less from the U.S. and more from other countries.

Graph 3 divides Mexico's trade partners into 5 groups, the United States, Canada, the European Union (15), East Asia (Japan, China, South Korea, Hong Kong, Singapore, Thailand, Indonesia, Philippines and Malaysia) and "other". Throughout the 1990s, all these trade partners' shares remained remarkably stable in the midst of rapid growth of Mexico's total imports. But this pattern changed quite abruptly in 2001, when every trade group except Canada grabbed market share away from the United States. By far the main winner has been East Asia, which raised its share of the Mexican market from 10.6 percent in 2000 to more than 17 percent in 2003, and accounts for almost two-thirds of this shift in trade away from the U.S.[7] Within the East Asia group, China is by far the most dynamic. Since 2000 China's share of Mexican total legal imports more than tripled from 1.6 percent to 5.5 percent. In fact, since 2001, China's exports to Mexico have grown at even a higher pace than China's exports to the U.S.

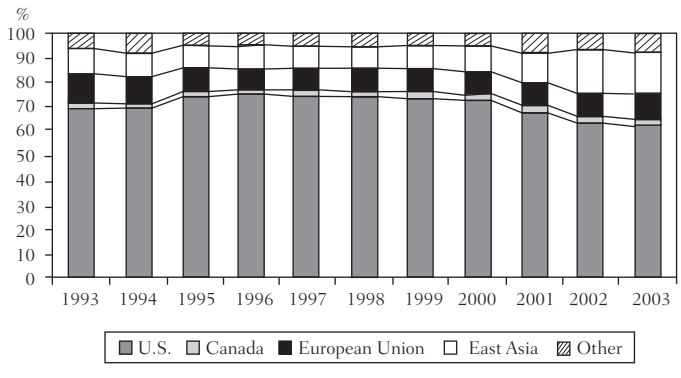
So East Asia, and particularly China, is to a large extent behind both these new trends in Mexico's foreign trade that have taken shape in the last three years: a loss in competitiveness of Mexican exports and the diversification away from the U.S. of Mexican imports. In fact, these two phenomena are two sides of the same coin. To state that Mexico buys less from the U.S. and more from East Asia is just another way of saying that, in relation to the Mexican market, the U.S. has lost competitiveness to East Asia and particularly to China. In fact, since China entered the WTO, its legal exports have been strongly boosted and have gained market share in every other economy around the world. In other words, the "Asian Challenge", which includes China but also other East Asian countries as well as India, is a worldwide phenomenon and Mexico (and the U.S.) is certainly not alone in having

problems to adjust to this new major factor of the world economy, though it is especially vulnerable to it.

But what are the relations between these recent trends in Mexico's trade patterns and its regional and bilateral trade strategy that is now coming to an end? The former analysis of those patterns points to three conclusions:

1) As Graph 2 suggests, Mexico's "other" free trade agreements (i.e., all except NAFTA) have failed to diversify exports. Between 1994 and their peak in 2000, exports to other countries doubled while those to the U.S., which sprang from a much larger base, almost tripled. It might be true that without these agreements NAFTA would have tended to concentrate Mexico's exports even more. Nevertheless, it is disappointing to notice that Mexico's second most ambitious trade agreement signed with the European Union in 2000 has failed to hike Mexican exports to Europe. In fact, exports to the European Union fell in 2001 and 2002 and even though they grew in 2003, they did not regain their 2000 level in spite of having the advantage of an overvalued euro.[8] Moreover, as we shall see, this relatively muted reaction of Mexican exports to a free trade agreement has not been an exception.
2) As Mexico has so far not signed any bilateral or regional agreements with any East Asian economy, its network of free trade agreements has not been the driving force behind the diversification of imports that has taken place in the last three years.
3) Nevertheless, it can be argued that these free trade agreements have played a subsidiary role in diversifying imports. This can be sensed by the fact that nearly 40 percent of the diversification in the last three years took place with non-East Asian economies, many of which are Mexico's partners in bilateral or regional agreements (see graph 3). Table 1 shows Mexico's bilateral-regional trade balance with its "other" partners (i.e., excluding the U.S.) before adopting a free trade agreement in 2003. It is quite compelling that with few exceptions Mexico's trade balance with most of these partners has deteriorated.[9] This means that these trade agreements have been more successful in promoting imports than exports. In the extreme case of Chile, a surplus of U.S.$77 million turned a decade later into a deficit of U.S.$759 million. In the case of the European Union, just three years after the agreement was endorsed, Mexico's trade deficit jumped by 62 percent.

GRAPH 3. MEXICAN IMPORTS
(%)



Source: Based on data from Ministry of the Economy (Mexico) (World Trade Atlas).

These results suggest that Mexico's trade partners have taken more advantage of these free trade agreements than Mexico's exporters. But this in itself need not be a problem. Whatever the composition of exports and imports, these agreements have promoted not only trade (which also means more cheaper and/or better imports) but also investment and cultural as well a political ties, important outcomes in themselves especially in the case of Mexico's relations with Latin America or with the European Union. But if the net gain of a free trade agreement with Chile or with Costa Rica, which represent a tiny portion of Mexico's total trade, goes beyond the (negative) trade balance issue, this cannot be said of every other agreement that could be signed in the future. In the present delicate circumstances, the size and breakdown of trade in exports and imports do matter.

Mexico is in the process of negotiating a free trade agreement with Japan,[10] and South Korea has asked for one. But are these agreements a good idea? A decade of free trade agreements with "other" countries tells the U.S. that Mexican exporters have been slow to respond to the opportunities opened

up by them. If Mexican exporters have been unable to increase their sales to Europe, where they have close cultural, linguistic and commercial ties, why would they turn out to be more successful in breaking into much more complicated and restrictive markets, such as Japan or South Korea? The final result would depend, of course, on the details of such agreements, but given the historical facts and current trends it should be a safe bet that if they were adopted, they would boost Mexico's already bulky trade deficits with these countries.

The fact is that further growth of Mexico's increasing trade deficit with East Asia is problematic. It will certainly not be welcome by Mexico's already battered domestic producers. Neither will it be welcome if it results in a further increase of Mexico's total trade deficit, a perennial obstacle to growth that has not disappeared with the adoption of an export-oriented economic model. But it could turn out to be problematic even if such deficits are compensated, as they have been for the last few years, by larger trade surpluses with the U.S.

Graph 4 plots Mexico's exports and imports to the U.S. and to other countries. It illustrates the recent trends in Mexico's foreign trade mentioned above. But what I want to emphasize here are the contrasting trends of Mexico's trade balances, increasingly in deficit with other countries (the distance between the first and the second curves) and with a growing surplus with the U.S. (the distance between the third and the fourth curves). The growth of Mexico's trade surplus with the U.S. has accelerated since 1999 and has more than quadrupled in five years. By the end of 2003 it reached U.S.$41 billion. As exports have remained flat, this spiralling trade surplus has come about by the aforementioned diversification of imports. Up to September 2003, Mexico's goods trade surplus accounted for almost 8 percent of the U.S. trade deficit; almost three times lower than China's, but still a substantial share.

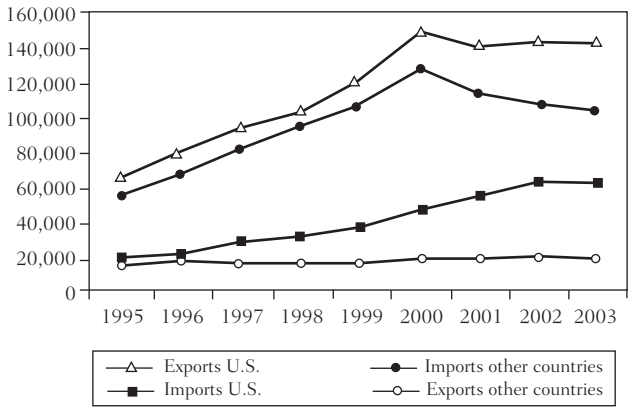
Mexico is becoming part of the problem of the United States' huge, growing and ultimately unsustainable trade deficit. In these circumstances, the game of diversifying imports without also diversifying exports has its limits. If Mexico wants to buy more elsewhere, it should start selling more elsewhere too. While it learns to do so and works on mending its competitive problem, the decision to halt its regional and bilateral trade strategy seems reasonable and timely.

Final Remarks

Mexico is struggling to emerge from three years of stagnation under the pressure of enhanced competition from East Asia and particularly from China. But as I said, it is not alone in facing the "Chinese challenge." Most economies in the world, in one way or another, have been affected by it. China is in the midst of a veritable industrial revolution that even if it half succeeds, given its sheer size, will change the shape of the world economy. As year after year it achieves astonishing GDP and trade growth rates, it is already doing this. But China has not only been exporting intensely, but also increasingly importing. In fact, the day when it generates substantial trade deficits might not be far away. China demands large amounts of capital goods and natural resources to fuel its industrial revolution. It has thus been swallowing large amounts of imports from capital goods producers such as Japan and from raw material producers such as Russia, Chile and Brazil.

But Mexico is neither a large exporter of raw materials (except for petroleum) nor of capital goods. On the contrary, it specializes in some export niches of manufactured items such as electrical goods and textiles, in which

Graph 4. Mexico's Foreign Trade
(millions of dollars)



Source: Based on data from Ministry of the Economy (Mexico).

China's competition is fiercer. Thus while in 2002, Brazil sold U.S.$2.5 billion in goods to China, Mexico's sales amounted to only U.S.$0.5 billion. And while in that year Brazil ran a trade surplus of U.S.$0.96 billion with China, Mexico ran a deficit of U.S.$5.7 billion. That China is turning out to be an opportunity for Brazil but a menace for Mexico is a matter of chance, not of strategy. In spite of the good performance that raw materials have had in the last couple of years, it would be absurd to blame Mexico for having left behind its old profile of exporter of raw materials. But it can and must be blamed for allowing time to pass without enhancing its export profile. The Mexican government is clearly aware of this. As former Minister of the Economy and current Minister of Foreign Affairs Luis Ernesto Derbez recently stated, "Mexico will not compete with cheap labor anymore, and must compete with education, research and development to achieve a different type of growth."[11] Since by 2002, China's wages were still a quarter of Mexico's, the problem is how to regain competitiveness at a higher level.

Mexico's competitiveness problem has inevitably increased attention to NAFTA's results on its tenth anniversary. Many observers agree that NAFTA was on balance a good thing, but that it turned out to be "not enough." Others argue that, from Mexico's perspective NAFTA is flawed in important ways.[12] Whatever the diagnosis, Mexico's competitiveness problem has to be tackled with reforms at home. But it should be clear that whatever these are, they are hardly going to give instantaneous results. In the very short run, unfortunately, almost the only measures that can ease some pain and save jobs are of a *defensive* character. This is why some observers have suggested that Mexico should strengthen ties within NAFTA in order to differentiate itself more from those countries that now enjoy or will soon enjoy more access to the U.S. market. This is also why Mexico secretly relishes it when the U.S. government adopts protectionist policies that excludes NAFTA partners (as was the case with the recent steel tariffs) and even more so when it clamps down on Chinese products and insists in the revaluation of the renminbi. Much to Mexico's relief, the U.S. is applying and planning to apply "safeguard tariffs" to a number of Chinese goods including apparel and color television sets. In the latter case, the tariff is supposed to favor a tiny community of local U.S. producers. In fact, however, it is likely to give much more relief to Mexican workers in Tijuana, not long ago the undisputed production capital center of TV sets destined for the U.S. market. VM

NOTES

[1] Mexico's Finance Ministry and Central Bank took this view. Secretaría de Hacienda, *Criterios Generales de Política Económica para 2003*. Banco de México, *La política monetaria para 2003*. See also OECD Economic Survey, Mexico 2002/7, p. 34.

[2] Under trade promotion authority (TPA) Congress restricts itself only to approving or rejecting a negotiated trade agreement, within strict time limits and without amendments. On Bush trade policy see Fred C. Bergsten, "A Renaissance for U.S. trade policy?" *Foreign Affairs* (Washington), November-December 2002, pp. 86-98.

[3] John Sargent and Linda Matthews, "Boom and Bust: Is It the End of Mexico's Maquiladoras?" *Business Horizons*, March-April 2003, p. 59, www.cba.cmich.edu

[4] Even though if the privileges granted to the CBI were watered down in December 2001, they remained significant. Fred C. Bergsten, op cit., p. 92.

[5] Gobierno de México. *Examen de las políticas comerciales de México*. Document presented to the WTO, 15 March 2002, p 11. WTO, WT/TPR/G/97.

[6] Herminio Blanco, *Las negociaciones comerciales de México con el mundo* (México City: Fondo de Cultura Económica, 1994), p. 84.

[7] During the late 1990s, within this group, Japan had been losing market share to China and other East Asian economies. This is partially why Japan wants a trade agreement with Mexico.

[8] It is true that since it was going through a mild recession, Europe was bound to import less in 2001-2003. However, Mexico failed to increase its exports even to Britain, which maintained a relatively dynamic economy and an increasingly strong pound. Moreover, even if Mexico's recession was deeper than Europe's, it managed to substantially increase its European imports during that period.

[9] The most notable exception is the AELC. This was due to a jump in 2003 of more than 50 percent in our exports to Switzerland. This export boom of U.S.$244 million was concentrated in a small group —4 in fact— of export products.

[10] Just as this essay was going to the press, Mexico and Japan finally reached a trade agreement. Japan is virtually starting a strategy of bilateral trade agreements and more than anything wanted the deal with Mexico as a spring-board for more ambitious ones in Asia (and so to offset China's growing influence). This explains why Japan eventually made important concessions in agricultural matters. Let's hope that Mexican exports make the most of these exceptional circunstances and take advantage of this trade agreement as they have not done with previous ones.

[11] *NAFTA Works*, vol. 8, no. 1 (Mexico City), December 2002-January 2003, p.1.

[12] As NAFTA's anniversary neatly coincides with the full disclosure of the "Chinese menace," some observers have naturally given in to the temptation to refer to China's experience. Not surprisingly many of them attribute China's success precisely to the reforms they consider vital for Mexico to push forward. In fact, however, China followed a very different reform path from day one. While Mexico has pursued a quite radical and liberal reform strategy inspired in the Washington Consensus, China has followed a gradual *dirigiste* strategy inspired by the experiences of Japan and South Korea. These are separate roads toward a modern export-oriented economy, not variants of the same one.

Mexican Fiscal Federalism And the National Fiscal Convention

Fernando Butler Silva*

Nelly Salas/Cuartoscuro

Opening session of the National Fiscal Convention, February 5, 2004.

Last February we saw the first stages of the National Fiscal Convention. This important event, that brought together all the representatives of the elites and the national and state political forces, aims to generate consensuses about solutions to the difficulties of fiscal federalism in Mexico. What does fiscal federalism look like in Mexico and what solutions might come out of the Fiscal Convention?

Public Finances and the States

In Mexico, both by law and de facto, the federal government is involved in more activities than economic efficiency would dictate. While the Constitution stipulates that those powers not assigned to the federal government are reserved to the states, their spending functions are not clearly defined. This is due to the fact that their main powers are exercised concurrently with the federal government and, sometimes, with municipalities, without defining the participation of each level of government.

The lack of clarity in assigning powers has an impact on the effectiveness of expenditures and public service provision. Public policies are not clearly defined and public services are not nec-

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essarily provided by whoever has the best information about local preferences and needs. It also becomes more difficult to attribute responsibilities among different authorities for performance in service provision. That is to say, it is not clear which level of government should be held responsible for the deficiencies. In addition, defining policies and planning becomes more complex because of uncertainty about actions by different levels of government.

We should say that since 1998, as a result of various decentralization processes, local governments have more resources than the federal government because of the transfers that the latter makes to finance many different services. However, the resources transferred do not necessarily translate into greater discretionary power for local governments.

The federal government spends differently in the states. In the first place, it spends directly through federal public investment or service provision. Another kind of spending (called joint spending) is done by different levels of government together. One example is spending in state universities, in which the federal government and each state contribute resources in a relatively stable proportion, but which varies from state to state. Another example is the expenditure made in social development pacts (CEDES), applied to urban development projects, public works and social programs in which federal financing is accompanied by a contribution from the state and municipality. Since 1996, the CEDES have used transparent formulas for the distribution of certain federal resources for social development linked to poverty, marginalization and backwardness indexes.

Finally, so-called decentralized spending is the largest component of federal expenditures in the states. It is done through the revenue sharing with state authorities for use in specific areas in which functions that the federal government previously performed in the states have been decentralized. The most notable case is basic education because of the sheer size of human and material resources involved and the impact on state finances, although similar reforms have also been carried out involving certain health and social development services.

Criteria of equity have made the distribution of federal revenue sharing among the states more homogeneous.

Decentralization is a big step forward in strengthening federalism, making the states responsible for public service provision. However, problems also arise that reduce these measures' effectiveness. This is illustrated by the case of basic education, which was a model for the decentralization of other levels of education and health services.

Until 1992, the federal government operated and financed 75 percent of the country's primary schools. Through decentralization, the responsibility for operating the basic educational system, together with all the schools, teachers and other assets that had previously been federal, was transferred to the states. The federal government retains the main power to create norms and design educational policy and continues to be the main source of financing. This measure exacerbated the fiscal imbalance or gap that the states face, the gap between their spending responsibilities and their income. To close this gap, the federal government currently assigns monetary transfers to the states; the amount for each state, at least in the case of basic education, is based on what the federal government spent directly there, in addition to resources for teachers' wage hikes and other items.

Just like with the CEDES, decentralization also affects state spending decisions because it forces the states to increase the resources destined for decentralized services at the cost of reducing the budget for other public services or goods.

The increase in educational spending is basically derived from costs associated with the reform, many of which are outside the control of state governments. Almost all educational expenditures, including federal transfers, go for paying wages, but until recently, they were negotiated centrally between educational and Finance Ministry authorities and the National Educational Workers Union (SNTE), with little participation of state governments. For those states that have their own educational system (the State of Mexico and Nuevo León), decentralization has been particularly difficult because of the need to harmonize wages and benefits.

On the other hand, the federal government has power over the main sources of tax revenues, such as income tax, the value added tax (VAT), tax on foreign trade, rights paid for fossil fuels and special taxes on production and services. It also has say over some taxes and rights that are transferred in their

totality to the states, such as the tax on new automobiles (ISAN). By contrast, the power to tax of the municipalities and particularly state governments is very limited, and the tax base they have access to is poor and difficult to exploit. The main power the municipalities have is property tax. State governments can tax payrolls, public entertainment, some sales and the purchase of alcoholic beverages.

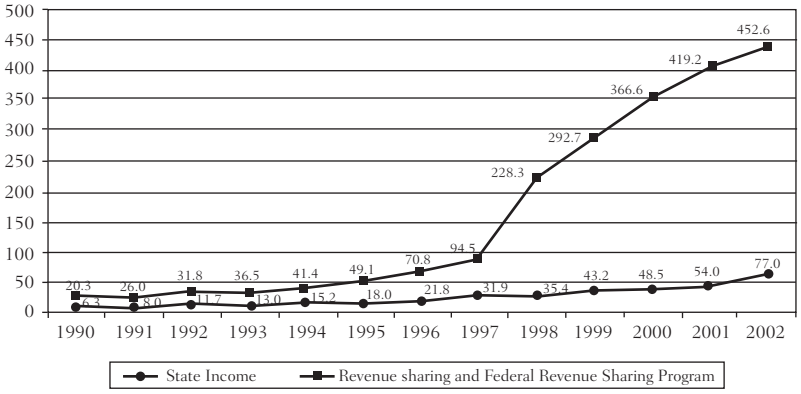
As a result of this division of the power to tax, around 80 percent of public revenues are collected by the federal government, 14 percent by the states, only 2.4 percent by the municipal governments and the rest by the Mexico City Federal District government. It should be taken into account that the high degree of centralization of revenues is a product of the National System of Fiscal Coordination (SNCF), dating from 1980. Through the SNCF, the states increasingly ceded the power to tax, including the ability to change the rate of some taxes that they still controlled; this was in exchange for larger federal transfers, particularly shares in federal revenues from some taxes.

It was in this framework of SNCF decentralization and operation that the last decade saw a large increase in federal revenue sharing as a percentage of local governments' total resources. This is why, while the states' revenues represented less than one percent of the gross domestic product from 1995 to 2001, federal resources came to more than seven percent of GDP in 2001.

The system of revenue sharing originally played a compensatory role in favor of the states to make up for the income they would stop receiving when they became part of the SNCF, but with time, the criteria for assignation of funds became more equitable, even though there continues to be a bias in favor of oil-producing states, which receive more. The General Revenue Sharing Fund is at the center of the system of assignations, representing 84 percent of the total in 1998. Of this fund, 45.17 percent is distributed based on each state's population to promote greater equity. An equivalent proportion is distributed using a territorial criterion based on assignable taxes, that is, those that are assigned to the place they are generated regardless of where they are collected.[1] The rest of the fund is distributed in inverse proportion to number of inhabitant.

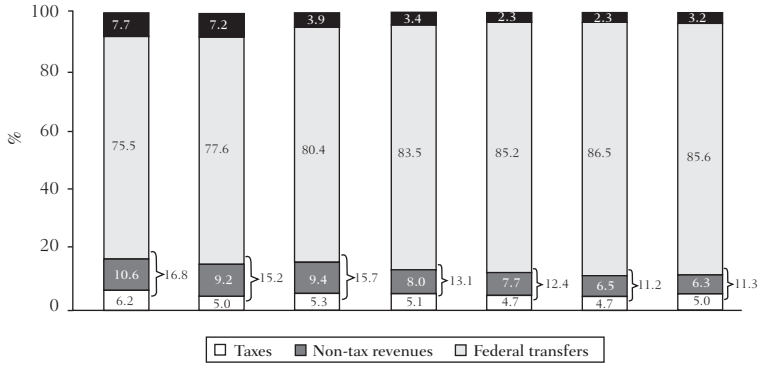
Criteria of equity have made the distribution of federal revenue sharing

GRAPH 1
STATE-GENERATED INCOME AND FEDERAL TRANSFERS 1990-2002
(BILLIONS OF PESOS)



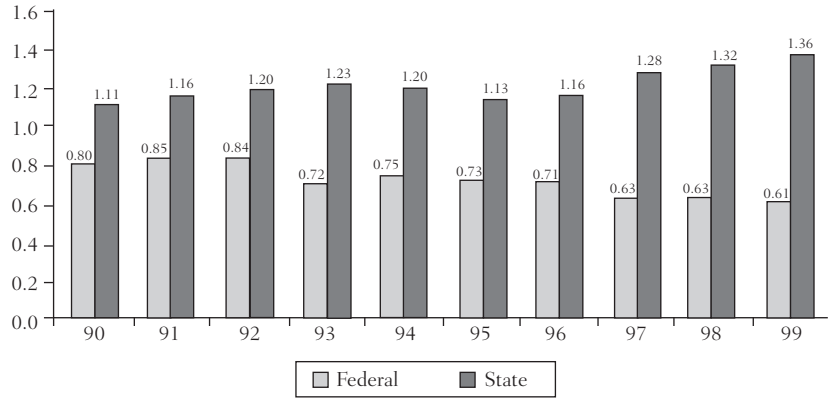
Source: Finance Ministry, State Public Accounts, Finance Ministry Transfer Data. For 2002, State Revenue Legislation.

GRAPH 2
INCOME STRUCTURE OF THE STATES
1995-2001



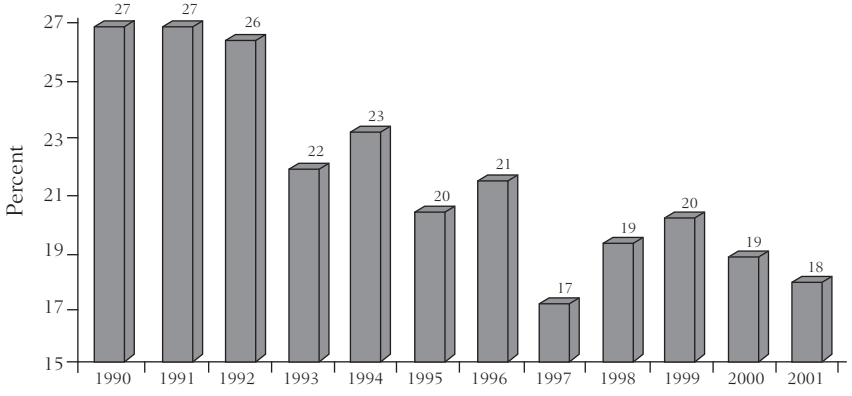
Source: Finance Ministry and State Public Accounts.

GRAPH 3
FEDERAL AND STATE EMPLOYEES ** (MILLIONS)



** Does not include teachers, primary school employees and public health personnel.
Source: Francisco Gil Díaz, speech at Ixtapan de la Sal, 31st National Meeting of Fiscal Officials.

GRAPH 4
INVESTMENT/AVAILABLE STATE REVENUES*
(AVERAGE)



* Available state revenue is defined as state-generated income plus net shared revenues.

Source: Finance Ministry and data from State Public Accounts.

among the states more homogeneous. In fact, the state with the most funding and incentives per capita in 2002 received 3.6 times what the one which received the least financing got, down from 6.4 times in 1990. In absolute amounts, the ratio between the state that receives the greatest allotments from the General Fund and the one that receives the smallest decreased from 7.4 times in 1990 to 3.9 times in 2002. In addition, the five states with the most funding per capita in 2002 received 1.4 times the amount that the five states with the least funding per capita received, down from 2.0 times in 1990.

However, in the structure of state revenues, taxes, non-tax revenues and financing have tended to drop, evidencing weak efforts at tax collection by most states. Specifically, the percentage of their own taxes and non-tax revenues as a proportion of state revenues went from 16.8 percent in 1995 to only 11.3 percent in 2001. This shows that the stiff increase in total state revenues is explained by the growth in federal revenue sharing.

We can also see that, as a reflection of the fact that the states have no direct influence in deciding the assignation of revenue sharing to them, their efforts at tax collection are feeble: only in four states does the percentage of their own revenues exceed 15 percent of all income, while in others, it does not even reach three percent. Some states even make more in interest payments than their total state tax revenues.

This tendency to make little effort to collect state taxes can be observed in the municipalities also. For example, property taxes bring in much less money than in other Latin American countries and, of course, less than the average in the Organization for Economic Cooperation and Development. In addition, the already scant revenues that come in as property taxes are showing a tendency to decline, dropping from 0.28 percent of GDP in 1994 to 0.23 percent in 2000. The potential for property tax revenues is, in fact, 2.5 times their current levels, that is, about 0.5 percent of GDP.

It should be pointed out that the states' and municipalities' meager efforts at tax collection are not an irreversible structural condition, but rather the reflection of their institutions' inefficiency: some efforts at local tax collection have resulted in automatically changing the ratio of local taxes to federal revenue sharing, favoring the former. For example, in 2000 and 2001, two states introduced a payroll tax. In addition, Veracruz carried out a successful tax reform that increased its direct revenues from 70.6 million pesos in 2000 to 521.3 million pesos in 2001, pushing up its own revenues from 0.2 percent in 2000 to 1.5 percent in 2001. Zacatecas is a similar case, in which its own earnings increased from 31.5 million pesos to 85.7 million between 2000 and 2001.

Local authorities' weak tax collection efforts cause increasing fiscal dependence on federal tax collection. This causes:

a) A split between local governments' income and spending.
b) Greater presence of states and municipalities in public spending than in tax collection.
c) Criteria of efficiency in tax collection and accountability have not been considered in the distribution of decentralized expenditures.
d) The Fund for Municipal Promotion and Economic Incentives (auto registration, taxes on new cars and administrative cooperation agreements) does take into consideration efforts at tax collection.

In addition to growing state dependence on federal transfers, there is another alarming trend. Increased transfers has meant an almost eight-point spike in operating expenditures, decreasing capital spending and debt payments. Specifically, operating expenditures went from 80.3 percent of available state income (state revenues plus net federal payments) in 1995 to 88.2 percent in 2001. In addition, personal services (wages, salaries, honoraria and benefits) went from being 34 percent of available state revenues in 1990 to 56 percent in 2001.

This is because of the jump in the number of state government employees from 1.11 million in 1990 to 1.36 million in 1999, while the number of federal employees dropped from 800,000 in 1990 to 761,000 in 1999.

The states' and municipalities' meager efforts at tax collection are not an irreversible structural condition.

This rise in operating expenditures implies a reduction of investment. As a percentage of available state expenditures, investments have gone from 27 percent in 1995 to 18 percent in 2001, plummeting one-third. This has obviously had a negative impact on the expansion of infrastructure in the states.

It should be noted that there are profound differences in the structure of spending by state. The immense differences in the proportion of total educational spending financed with local resources are very noteworthy even though the process of educational decentralization is quite advanced in all the states. Thus, while in 2000 the State of Mexico and Nuevo León respectively financed 34 percent and 30 percent of their total educational costs with their own monies, Hidalgo and Baja California Sur only put up 4 percent. There are also stark contrasts in the proportion of total health expenditures financed with local monies: while some states cover an important amount with local funding, such as Tabasco and Mexico City's Federal District, with 50.2 percent and 39 percent, respectively, others contribute very little, such as Chihuahua and Chiapas, which contribute 0.5 percent and 1 percent, respectively.

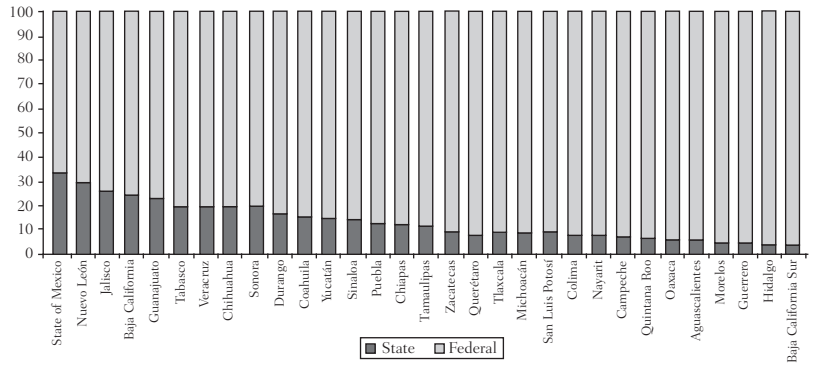
Lastly, there are also notable differences in the efficiency of states' spending. Suffice it to say that in surveys on the quality of public services, people expressed more satisfaction in northern states where greater electoral competition has ensured a higher degree of accountability from government officials.

Solutions

Given the complexity of the problems of Mexican fiscal federalism, it is not surprising that the preliminary documents presented to the National Fiscal Convention come to more than 1,200 pages and that fiscal officials and academic specialists alike have been invited to participate in the working groups in order to have precise, complete diagnostic analyses of all the difficulties to be resolved.

Although the final results of the entire exercise will only be available when the working groups make their recommendations, the analysis present-

GRAPH 5
STATE AND FEDERAL FUNDING FOR EDUCATION, 2000 (%)



ed in this article suggests the fundamental principles that they must base their conclusions on:

1) The solution to severe fiscal centralization requires greater local responsibility based on a division of the power to tax in accordance with minimums of economic efficiency.
2) The promotion of equality should be based on objective, transparent criteria and the promotion of tax-collecting efforts by local authorities.
3) The functioning of the federal fiscal system depends not only on the current legislative framework, but also on the efficiency of institutions.
4) Authorities' accountability to the citizenry is crucial for improving the effectiveness of public expenditures.

Based on these criteria, we can predict some common features of all the sensible proposals that seek to resolve the central problems confronting fiscal federalism in Mexico:

1) The operation of decentralized services and processes of decentralization should be reformed based on: a) giving more autonomy to state governments in the use of federal funds transferred to them; b) granting more flexibility to the states in defining plans and programs without requiring the authorization of federal authorities; c) reducing federal bureaucratic requirements, putting more emphasis on evaluating results than procedures; d) making the public dissemination of information about the performance of services financed partially with federal funds a condition for assigning them.
2) The states should be assigned the proceeds from the tax on new automobiles and given the power to establish a tax on the final sale of goods and services, in addition to the federal VAT. This tax would be accompanied by a partial fiscal credit for merchants for federal VAT and a proportional reduction of federal revenue sharing. In this way, all the states that levy this tax would receive greater revenues than they do currently.
3) Objective, transparent criteria should be established to determine the amount and distribution of federal revenues transferred to the states and municipalities. The distribution of resources corresponding to Item 33 should change in accordance with those criteria.[2] The criteria for distribution should be tied to: a) measures to ensure effectiveness in public service provision; b) indicators of need and lags in services vis-à-vis other states; and c) the states' fiscal efforts to collect their own taxes.
4) New local sources of income should be developed. In particular, taxes should be levied on public services charging higher rates for those who use more of the service.

The National Fiscal Convention is an excellent opportunity to try to come to consensuses to straighten out the muddle fiscal federalism in Mexico is in. Nevertheless, the issues under discussion are so complex, the amounts involved so high and the number of conflicting interests so numerous that the convention's outcome is still uncertain. Even so, the simple fact that Mexico's different elites and political forces are sitting down together to discuss this vital issue is an important advance toward establishing an atmosphere of civilized coexistence in the country. VM

NOTES

[1] Assignable taxes are those on the registration of new automobiles, special taxes on production and services and on diesel and natural gas, alcoholic beverages, beer and tobacco.

[2] Item 33 of the budget is for social spending to be determined at the president's discretion. Although the Chamber of Deputies decides its overall amount, it is the only item for which the president does not have to submit specific assignations to Congress. [Editor's Note.]

Notes On Unemployment in Mexico

Javier Aguilar García*

Iván Stephens/Cuartoscuro

Looking for a job.

Neoliberalism has not found ways to achieve economic growth. The work force has grown naturally, but the wage-earning sector, with permanent jobs and benefits, is constantly declining.

`Economic Policy in Latin America

In the last two decades of the twentieth century, Latin American countries went through substantial economic, political, social, ideological and cultural changes. The driving force behind these changes has been diverse. For example, in the 1980s, the region's industrialization and import substitution policies, implemented for almost three decades, went into severe crisis. Also, at the end of the 1980s, the foreign debt became central to national economies and society.

It was precisely in the 1980s that many of the Latin American countries began a process of restructuring or economic modernization. Most of the governments abandoned the closed, protected economy and moved rapidly toward building open economies oriented to production for the world market. The change in the economic model has had broad, profound social costs for most Latin Americans.

This new economic policy, neoliberalism, has not found ways to achieve economic growth. The work force has grown naturally, but the wage-earning sector, with permanent jobs and benefits, is constantly declining. The informal sector is growing rapidly and has become an unresolved social problem.[1]

Real wages dropped continuously over the last two decades. In general, in-

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dicators have shown a decline in urban and rural wage-earners' share in the distribution of national wealth. In that context, unemployment has become one of the region's most permanent structural social and economic problems. Equally, the flow of migrants from countries of the South to the United States and Canada grows daily, and has become a tense issue, of most concern for the region's international relations.

Economic modernization has been based, of course, on a hemisphere-wide policy of free trade. Free trade agreements have played a fundamental role in this: the North American Free Trade Agreement (NAFTA), signed by Mexico, the United States and Canada; the Mercosur between Brazil, Argentina, Uruguay and Paraguay; the Andean Treaty, between Bolivia, Peru and Ecuador, etc. Modernization has included the restructuring or dismantling of the public sector in most of the region. Public companies and institutions created to foster different sectors of national economies were privatized, sometimes sold off to local businessmen or multinational corporations. The economic changes in each country were accompanied by legal reforms, sometimes even drastic reforms to national constitutions.

Massive unemployment generates two economic and social problems: the growth of the informal economy, and the explosion of migration.

Economic Policy in Mexico

The tension between employment and unemployment has been central to the dynamics of Mexican society and economy in recent years. It has been present both in the period of industrialization and growth (1940-1982) and the stage of restructuring or modernization (1983-2003). It is not by chance this tension paralleled the most recent economic crises and low industrialization over the last two decades.

From 1940 to 1982, Mexico's gross domestic product (GDP) grew 6 percent annually. The country industrialized rapidly. Urbanization was constant and uninterrupted. The public sector grew to a total of 1,300 public companies in different branches of the economy: oil, electricity, railroads, automobile and truck production, steel, the metal, chemical and fertilizer industries, etc. It was in this period that the social security system was set up for workers in the private sector (the Mexican Social Security Institute or IMSS) and the public sector (the State Workers Institute for Social Security and Services, or ISSSTE).

For four decades the government oriented economic policy toward the domestic market and promoted import substitution. The economy was kept closed and protected. In that context, employment grew continually in industry and services. Unemployment was very low or practically non-existent. This economic model was very close to the 1920s and 1930s ideas of John M. Keynes.

Even so, however, the distribution of wealth was very uneven in Mexico: poverty was never eliminated, but there was an attempt to hide it. The Keynesian model began to encounter problems in the mid-1970s. In 1976, the country went through its first major financial crisis. Mexico's second economic crisis came in 1982. Both had devastating effects on employment and living standards.

The administration of President Miguel de la Madrid (1982-1988) opted for a radical restructuring or renovation of the economy. It promoted opening up the borders to trade and, in 1985, entered the General Agreement on Tariffs and Trade (GATT). It began privatizing public companies, stimulating production for the foreign market and facilitating the establishment of what are now the famous maquiladora plants. The public administration and state companies stopped hiring new workers. Private companies began to fire employees in all branches of the economy.

From 1982 to 1988, GDP growth was zero. Unemployment soared, because of lay-offs, a lack of new companies or industries and because of the natural, explosive growth of those turning 18, the legal age to be a full member of the work force. During that presidential term, unemployment became an enormous problem. Full unemployment and participation in the informal economy grew rapidly. In 1988, unemployment was estimated at six million Mexicans.

The neoliberal economic model —the monetarist variety put forward by Milton and Rose Friedman— continued to be applied in the following two presidential terms, under Carlos Salinas (1988-1994) and Ernesto Zedillo (1994-2000). Another major financial crisis occurred in 1994-1995, and, once again, the greatest social

cost was paid by wage-earners. Unemployment and the informal economy have not stopped growing since then. The public sector of the economy has been reduced to 213 companies and institutions involved in production. The distribution of wealth continues to be very unequal, with poverty spreading to larger sectors of the population.[2]

Vicente Fox's Economic Policy

The Fox administration's economic policy has not lived up to the expectations raised at the beginning of the term. His economic strategy does not really have any new elements but rather is based on political discourse.

Actually, Mexico's economic apparatus continues to function with the viewpoint, the mechanisms and the programs of previous administrations. The current government has not been capable of contributing ideas and strategies either for the economy or the welfare of the population.

Vicente Fox's administration has centered a great deal of its activity and aims on the so-called structural reforms (the reforms of the tax system, energy production and labor relations). With regard to fiscal reform, it has put forward above all the idea of increasing some taxes like the VAT, which would make for substantial increases in public revenue that would then be "redistributed through public policy."

The proposal with regard to energy has been to open the sector up to national and international private investment. Supposedly, greater investment would bring higher production of electricity, gas and oil. Finally, with regard to the labor reform, the proposal has been to substantially modify the Federal Labor Law to legally bring down the cost of Mexican labor to satisfy foreign investors who demand greater cost flexibility.

It is important to point out that these three reforms were also suggested to the Mexican government by international bodies like the International Monetary Fund, the World Bank and the Organization for Economic Cooperation and Development.

In fact, these three reforms have been on the table since the 1988-1994 administration of Carlos Salinas. Actually, over the last 15 years, two broad reforms have been implemented de facto, not necessarily by going through legal channels. The Zedillo and Fox administrations continued with the policy of favoring the energy and labor reforms. In energy, broad openings for private generation of electricity have been created. At the same time, labor relations have changed de facto in the great majority of companies without the need to go through a formal legislative reform.

This de facto labor reform favors management interests. One way or another, the process has reduced labor costs for management. A drop in real wages, the explosion of formal unemployment, the lengthening of the work day, the implementation of flexible working conditions, not paying the benefits awarded in collective bargaining agreements and violation of legally-established hiring practices (such as contracting out permanent jobs to third parties), etc., have all been frequent practices. This policy has been applied under the last two administrations of Institutional Revolutionary Party presidents and during the first three years of the Fox administration.

The current government thinks that a major reason that the goals it proposed at the beginning of its term have not been met is that they have not been formalized legally. The government's logic is that if the economy is not growing it is because there is no investment and this, in turn, is due to the fact that the reforms —above all the fiscal and energy reforms— have not passed. This is partially true. But it is also true that low growth rates are due to the fact that the federal government lacks its own project for economic development. All growth is made to depend on external factors and no priority is given to national projects of agriculture, industry and services. In that context, we can say that investment has stagnated because big business, both domestic and foreign, does not see a clear government project for economic growth.

> The president's confidence in "*changarros*" as a solution for unemployment confirms the absence of an economic policy to promote growth.

Under these circumstances, it is reasonable to think that the country's economy is having great difficulty in maintaining and reproducing itself. It is also obvious that the different facets of economic life are becoming more and more complicated every day. This is why we see low economic growth and high unemployment. At the same time, massive unemployment generates two other economic and social problems: a) the growth of the infor-

mal economy, and b) the explosion of migration toward the United States and Canada. Both are undoubtedly "escape valves" both for the labor market and the economy as a whole.

Now, what has caused unemployment? I maintain that unemployment has grown continually and rapidly as a result of the economic policy applied from 1983 onward. The Fox administration has done nothing but confirm the same model as previous administrations, which is why employment, wages and, in general, the well-being of the wage-earners have been directly affected, bringing with it uncertainty in the population's living standards.

At the end of 2003, when Vicente Fox was finishing up his third year in office, it was no longer possible to hide the effects of his economic policy. Presidential reservations about the economy began to be made public from September 2003. Even shortly before his third report to the nation on September 1, the problem of unemployment had come to light publicly. Official institutions, banks, private associations and academic institutions all participated in the debate. In July 2003, Vicente Fox recognized for the first time that "job creation has not kept pace with the country's needs."[3] He also stated that this was "compensated for by the creation of 625,000 new jobs or positions of self-employment," through the so-called "*changarros*" or micro-companies.[4] The president's confidence in "*changarros*" as a solution for unemployment confirms the absence of an economic policy to promote growth and social development.

In late June 2003, the National Statistics Institute (INEGI) opened up the "black box." It put open unemployment at 3.2 percent. This indicator showed up the naive optimism or the fallacy —depending on your point of view— of the president's discourse because the INEGI figures highlighted the loss of formal jobs. By July, unemployment had increased to 3.52 percent, and by August, it soared to 3.96 percent, the highest monthly rate registered from 2000 to 2003.[5]

In the same vein, the Mexican Social Security Institute (IMSS) announced that from December 1 to December 31, 2000, the first 30 days of the Fox administration, 228,857 jobs were lost, 61.2 percent of which had been permanent jobs.[6] By January 2001, the figure had jumped to 611,488 jobs lost; by December 2002, 549,543; and by June 30, 2003, 569,855.[7]

In July 2003, the INEGI announced that three years into the Fox administration, 682,000 people, or 3.52 percent of the work force, were openly unemployed. If we add the 892,000 jobs lost by the end of 2000, we have a total of 1.574 million people openly unemployed according to IMSS and INEGI data.[8]

The increase in unemployment indicates above all the productive apparatus's inability to create jobs. It also implies the absence of an economic policy that benefits the entire country. In a July 22, 2003 meeting between leaders of the Workers Congress (CT), Mexico's labor umbrella organization, and Vicente Fox, the president proposed that they "consider self-employment and micro-businesses a solution to the problem of unemployment."[9] This was his "solution" for the country's average workers, that is, people with only a basic education.

On another level, in August 2003, President Fox called on universities to "link study plans and majors to the country's real needs." "Young people must have easy access to the labor market...and we must not forget the task of being entrepreneurial, of employing oneself, of creating new companies based on young people's professional studies."[10] Thus, the administration's proposal to the nation's workers, as well as technicians and professionals, is self-employment. Vicente Fox's image is that of a president who does not have a solid economic plan for job creation.

The increase in unemployment indicates the productive apparatus's inability to create jobs and the absence of an economic policy that benefits the entire country.

In December 2003, the unemployed numbered 1.3 million. One year before, in December 2002, the figure had been 911,000.[11] In manufacturing alone, 690,000 jobs were lost between 2001 and 2003, jobs that probably will not be recouped in coming years.[12]

These unemployment levels are rooted in both domestic and international conditions. The same can be said about GDP growth rates in the last three years. On February 18, 2004, on the anniversary of the Labor Congress, the INEGI published its latest data about Mexico's GDP growth: 1.3 percent in 2003; 0.7 percent in 2002; 0.1 percent in 2001. Average growth for those three years came to 0.63 percent.[13] Undoubtedly, this is one of the lowest averages in recent admin-

istrations for the first half of a presidential term. We should remember that in his National Development Plan, Vicente Fox had proposed an average of 3.5 percent GDP growth for the first three years of his term and 7 percent for the end of his term. However, the only certainty is that the Mexican economy in general is weak and there are no visible mechanisms for recuperating employment.

The 0.63 percent average growth in the last three years implies that the Fox term has registered a very low rate compared to previous administrations from 1982 to 2000. The worst thing is that chronic economic weakness is evident, the harbinger of greater stagnation, more setbacks for production, higher unemployment in the formal labor market, a growth of informal work and more migration to the United States and Canada in coming years.

Naturally, conditions from 2001 to 2003 are the responsibility of the Fox government, but undoubtedly, previous administrations also contributed: when Mexico became an open economy, since the signing of NAFTA, since public spending stopped being a driving force for development, etc. Since the implementation of these changes, the Mexican economy as a whole has come to depend increasingly on economic performance in the United States.

In that context, Mexican businessmen have not been able to make enough productive investment in the country. Also, the Mexican Congress has not come up with an emergency plan to deal with stagnation and unemployment.

Union leaders (from the Labor Congress, the Mexican Workers' Confederation, the National Workers' Unity, the Federation of State Employees Unions) have not proposed an economic policy with social underpinnings, either, that would increase employment, wages, benefits and, in general, raise working people's living standards, which have been very hard hit over the last two decades.

None of the officially registered political parties (the National Action Party, the Party of the Democratic Revolution, the Institutional Revolutionary Party, the Green Ecologist Party of Mexico) have demonstrated having a project proposal for the nation. They do not have a program for political and social development. Most of their activities have not benefited the country's 103 million inhabitants.

In most of Latin America, unemployment continues, wages are low, working conditions are precarious, the informal sector is growing and international migration has become desperate.

This situation is not exclusive to Mexico. In most of Latin America, unemployment continues, wages are low, working conditions of those who do have jobs are increasingly precarious, the informal sector is constantly growing and international migration has become a desperate way out. That is how the International Labor Organization (ILO) puts it in its *Panorama Laboral 2003* (Labor Panorama 2003), putting the region's open unemployment rate —with all its limitations— at 11 percent (involving a total of 19 million urban workers). The ILO also points to a continuing downward slide for wages. In 2003, Mexican workers earning minimum wage lost 0.3 percent of their buying power, and from 1988 to 2003, the accumulated loss has been 71 percent.[14] Economic policies in the region have been based on sacrificing labor's participation in national wealth with the only aim of attracting capital and foreign investment at any cost. From the point of view of social stability, this situation seems untenable in the medium and long term. VM

NOTES

[1] Jürgen Seller, *Reformas económicas, crecimiento y empleo* (Santiago, Chile: Fondo de Cultura Económica-ECLAC, 2000), pp.21-22.

[2] Javier Aguilar García, "¿Existe una política para desarrollar el empleo en México?" *Estudios Políticos* no. 32, UNAM (Mexico City), January-April 2003, pp. 191-218.

[3] *El Universal* (Mexico City), 8 June 2003, p. A-8.

[4] Ibid.

[5] INEGI press release, 21 January 2004, http://www.inegi.gob.mx.

[6] On December 1, 2000, the IMSS had a total of 12,775,125 workers enrolled, 87.5 percent of whom had permanent jobs and 12.5 percent of whom had temporary jobs.

[7] "El discurso del cambio otra vez derrotado por la realidad," *La Jornada* (Mexico City), 23 July 2003.

[8] *La Jornada* (Mexico City), 23 July 2003, pp. 21-22; *El Universal* (Mexico City), 22 August 2003, p. 1, 12 and B1; *El Universal* (Mexico City), 26 August 2003, p. B20.

[9] *Reforma* (Mexico City), 23 July 2003, p. A-1.

[10] *El Universal* (Mexico City), 7 August 2003, p. A-11.

[11] *El Universal* (Mexico City), 22 January 2004, and INEGI, "Encuesta nacional de empleo urbano," http://www.inegi.gob.mx.

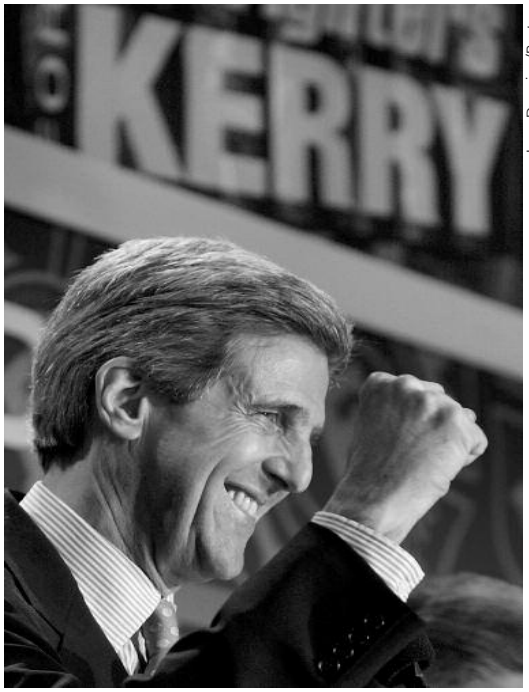
[12] *Reforma*, Business Section (Mexico City), 1 December 2003, p. 1.

[13] *El Financiero* (Mexico City), 18 February 2004, p. 19.

[14] *La Jornada* (Mexico City), 8 January 2004, p. 25.

2004: Elections that Will Define The United States

José Luis Valdés-Ugalde* María Fernanda Valencia**



Larry Downing/Reuters

Mannie García/Reuters

Economic concerns have changed the pattern of the candidates' discourses, placing more emphasis on domestic issues like unemployment, taxes and health care.

The Iowa caucus and the New Hampshire primaries, both of them rural states par excellence, traditionally mark the start of the U.S. presidential elections (this year they were held January 19 and 27, respectively). Both processes have historically been very important because they determine the future of the race. This time, with no competition against the incumbant, the Republican Party decided to back President Bush's bid for reelection. It has spent its time observing the Democratic primaries, attacking and responding to criticisms, and since February 23, began its formal campaign leading up to its August 30 New York convention.

In the Democratic Party nomination process, clear results began to emerge very quickly. John Kerry, senator for

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Massachusetts, went to the head of the pack with a strong advantage over his fellow contenders, surprisingly taking the lead from strident Howard Dean who had been the favorite until one day before Iowa. That is when candidates started dropping out: Richard Gephardt, Wesley Clark, Dean and finally John Edwards fell away after Kerry's resounding victory on Super Tuesday, March 2.[1]

Kerry, a spokesman for northern liberalism, Vietnam veteran and hero, with 10 years congressional experience, thus became the shoo-in for the Democratic nomination.

So far, he has won 31 of the 39 state primaries held until now, guaranteeing him 1,895 delegates;[2] this, together with the 381 super-delegates who have come out for him, brings his total up to 2,162.[3] Although this assures Kerry the nomination, it is a safe bet that the senator will continue with his campaign calendar to get the most possible support in the caucuses and primaries still to come before the June 26 Democratic convention in Boston.

Kerry's candidacy was strengthened by his image of "electability" among voters, who consider him the candidate with the greatest possibility of defeating Bush. He will probably continue to benefit from this and from most Democrats' tendency to sacrifice discussions about positions, platforms and personalities to defeating the Republicans.

Main Players

A month and a half after the race began, the finalists have already been decided: Bush and Richard Cheney are running mates again, and Kerry's vice presidential choice remains to be seen.[4] Most of his followers think that the man with the greatest possibilities is Senator John Edwards (33 percent of those polled).[5] The reasons Edwards seems to be a firm candidate for the Democratic vice presidential slot are: 1) He has won 534 delegates up to now;[6] 2) He represents the southern vote; 3) His center-progressive stance on delicate issues like employment, social security and minority rights, among others, offer Kerry access to like-minded voters; 4) Last, but not least, in a system that puts a premium on personality, his charisma is an advantage for Kerry. Still others weigh in for Richard Gephardt, who would appease the party's protectionist wing that mistrusts Kerry's vote for the North American Free Trade Agreement a decade ago, and would win him support from poor and working people. Other running mates have been considered: for example, New Mexico Governor Bill Richardson, who recently rejected the possibility,[7] or either of the senators for Florida, Bob Graham or Bill Nelson. Senator Evan Bayh from Indiana and several governors, like Janet Napolitano from Arizona, Mark Werner from Virginia and Tom Voslack from Iowa, have also been considered in analysts' predictions.[8]

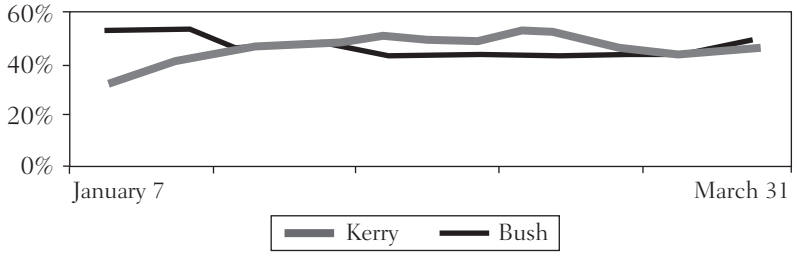
The Candidates' Prospects

The prospects of both candidates seem very balanced. Until mid-March, Kerry was slightly ahead. Yet, the latest surveys show President Bush leading with 51 percent, while Kerry has 47 percent. Recent polls put the president's popularity at its lowest point since he took office. Kerry, in contrast, has strengthened his popular support.

However, Bush has lost credibility due to the questioning of his war against Iraq based on the supposed existence of arms of mass destruction. The suspicion that Bush lied has had a negative impact on his credibility in other areas, turning the war and foreign policy into a domestic issue. Recent criticism of Bush's strategy (such as Kay's, O'Neill's and Clarke's),[10] the suspicions that Bush avoided serving in the Vietnam War by using his father's political influence and the cabinet's inability to coherently explain the matter of arms of mass destruction have brought into question the president's honesty and capability.

In addition, the economy presents an increasingly difficult panorama. Despite the fact that in President Bush's first year in office, employment increased 8.2 percent, since 2001, growth has stagnated according to the Labor

VOTERS' PREFERENCES



Source: The authors, using different U.S. media sources.

ELECTORAL ISSUES 2004

GEORGE W. BUSH	JOHN KERRY
1. The war in Iraq and the fight against terrorism	
• In favor. • Doctrine of preventive unilateral attack: invasion of Afghanistan, war in Iraq. • Does not support withdrawal of troops from Iraq. • In favor of the Patriot Act.	• Voted in favor, argues he was misled because he trusted the intelligence services. He is against the reconstruction budget. • Return to multilateralism. Use of force and preventive action (even unilateral) when necessary. • Does not support withdrawal of troops from Iraq. • Voted in favor of the Patriot Act; now promotes its repeal.
2. The economy	
• Is optimistic about the current situation and does not think the budget deficit is important (says it is necessary and can be reversed). • Promises to create jobs. • Favors tax cuts and promotes making them permanent.	• Criticizes the current economic situation, particularly the deficit. • Promises to create jobs. • Opposes tax cuts, particularly for families with incomes over U.S.$200,000.
3. Homosexual marriage	
• Against. Favors a constitutional amendment.	• Against. Favors civil unions. Opposes a constitutional amendment.
4. Free trade (NAFTA)	
• In favor.	• In favor, but with a renegotiation and protection for workers.
5. Education	
• Supports individual, tax-deductable contributions to public schools and the No Child Left Behind Program.	• Promotes a community plan to help gifted high school students continue their education in university.
6. Health	
• Promoted MEDICARE. Favors private investment.	• Criticizes MEDICARE.
7. Migration	
• Proposed Migratory Plan.	• Opposes Bush's Migratory Plan; supports the Hagel-Daschel Plan.
8. Death penalty	
• In favor.	• Against, except for terrorists.
9. Environmental protection	
• Allowed oil drilling in Arctic reserves.	• Proposes a program for developing non-polluting energy sources.
10. Abortion	
• Against.	• In favor.

Department. In addition, successive tax cuts, together with the recession, have contributed to lowering tax revenues 19 percent, and the fiscal deficit has reached around U.S.$500 billion.[11]

Despite tax cuts contributing to an 11 percent increase in families' available income, benefits to the general population have been few, while the rich have profited the most. The fiscal deficit pressures the dollar downward, and irrational indebtedness to finance the military campaign threatens to create a severe crisis that would worsen unemployment and inflation rates. All of this has led to the public giving signs of discontent. Recent polls show that 59 percent of Americans disapprove of Bush's management of the economy, and 57 percent think that Kerry could do better.[12] It is even estimated that approximately 11 percent of the voters who supported Bush in 2000 are disappointed and say they are going to vote for the Democratic candidate.[13] It is important to mention that, historically, voters' perceptions of the economy have determined incumbent presidents' possibilities for reelection.[14]

These economic concerns have changed the pattern of the candidates' discourses, placing more emphasis on domestic issues like unemployment, taxes and health care. Issues like abortion and the environment have been practically excluded from the electoral discourse. Despite Bush's immigration proposal and Democratic Senators Hagel and Daschle's bill, migration will not be significant in this election.[15]

The race between Kerry and the president will be determined to a large extent by funding. Both candidates have opted for private funding of their campaigns. In any case, after their respective conventions, both candidates

will receive nearly U.S.$75 million in public funding as stipulated by law. However, as of now, Kerry is at a disadvantage: Bush has raised much more money, almost U.S.$175 million. Meanwhile, Kerry has about U.S.$40 million of the U.S.$100 that the Democratic Party plans to raise. However, until now the anti-Bush campaign run by the political movements called "527s" has given Kerry some relief in the political ad fight.[16]

The Minority Vote

The increase in minority populations in the U.S. (alarming for some Anglo-Americans) has meant that they have played an important role in recent elections. This year, minority voters are expected to play a determinant role in the presidential election.

Each minority has specific characteristics, needs and problems that make up its identity and that, one way or another, explain its electoral behavior. The parties and candidates know how important it will be to have their support. For now, the candidates seem to be focusing on winning the vote of the nine million Hispanics expected to participate in the presidential election,[17] but they have also sought to attract the Afro-American, Asian, Arab and —though to a much lesser extent— Native American populations.

For example, in the Democratic primaries, the role of minorities has been important in practically all the southern states. The minority vote was important March 2 for Kerry's victory, above all in California, New York, Maryland and Georgia.[18]

Estimates say that most Afro-Americans (63 percent) will vote for the Democratic Party, attracted by its economic and social proposals that promise lower unemployment and better working conditions.[19] Latinos —except Cubans who are a majority Republican— are expected to vote for the Democratic candidate. In a recent *Election Focus* survey, only 36 percent of Latinos said they supported Bush and, despite his proposed migratory plan, 63 percent of those polled think that Bush does not care about immigrants and is only seeking the Latino vote.

Prospects

This is probably the most important election in recent U.S. history. Domestically, the United States is very polarized, with a debate about the future of the democratic republic and the repositioning of the U.S. neo-empire. The presidential election will decide who will hold the destiny of the world's most powerful nation in his hands. This is no small thing in an international situation in which, as never before, there will be a discussion, in the framework of the latest March 11 terrorist attacks in Spain, about multilateralism and the reform of international bodies like the United Nations on which the balance of the international system depends. Washington's responsibility in this process is significant. On the other hand, we should add that the political and economic processes of most of the world's nations are linked to U.S. economic performance. This is why the main players in the international economy are very interested in the U.S. political process. The election results are particularly important for Mexico because they will define the conditions in which bilateral relations will play out in the medium term. Issues like migration, free trade, human rights and the environment will be affected some way, depending on who wins the race. It is still early to say which candidate is in Mexico's best interests. If Bush remains in office, there could be continuity in relations, which have not advanced substantively around the issues of greatest importance for our country; and there is no reason to think that that would change in coming years. Kerry, for his part, has given little indication of any real interest in Mexico and bilateral relations. In any case, we would have to ask ourselves if the Democratic candidate would not be forced to take on hard-line, protectionist positions on NAFTA. Regardless of the outcome, the Mexican and U.S. governments will have to do detailed, professional follow-up on the pending and future issues on the bilateral negotiations table. VM

Kerry's candidacy was strengthened by his image of "electability" among voters, who consider him the candidate with the greatest possibility of defeating Bush.

Notes

[1] Al Sharpton and Dennis Kucinich are still in the race, but have won only a few delegates.

[2] www.thegreenpapers.com

[3] CNN, 11 March 2004.

[4] It should be mentioned that the self-styled defender of consumer rights, Ralph Nader, announced that he is running again as an

independent candidate. According to a *Washington Post* survey (March 8, 2004), Nader will get three percent of the vote, which could make the difference between the two main candidates, who polls say today are running neck in neck. In fact, Nader's candidacy particularly affects Kerry.

[5] Fox News/Opinion Dynamics Poll, 18 and 19 February 2004, applied to 900 registered voters.

[6] Including 23 super-delegates. This figure may increase in the primaries yet to come.

[7] Reuters, 8 March 2004.

[8] David Halbfinger, "With Super Tuesday Behind Him, Kerry Shifts to High General Election Gear," *The New York Times*, 4 March 2004.

[9] www.usatoday.com, 30 March 2004.

[10] The former U.S. chief weapons inspector, former treasury secretary and former White House official for terrorism, respectively.

[11] See the article by Ignacio Perrotini in this issue of *Voices of Mexico*. [Editor's Note.]

[12] *Washington Post*/ABC News, 8 March 2004.

[13] Elisabeth Rosenthal, "Disenchanted Bush Voters Consider Crossing Over," *The New York Times*, 22 February 2004.

[14] Eisenhower, Johnson, Nixon, Reagan and Clinton were reelected at times when economic indicators were favorable. In contrast, Ford, Carter and Bush, Sr., lost their bids for reelection during times of low credibility and economic crisis.

[15] In contrast to President Bush's plan, the bill presented by Senators Daschle (D-South Dakota) and Hagel (R-Nebraska) opens up the possibility for undocumented residents in the country to legalize their situation permanently if they comply with certain requirements: at least five years residence in the country, having worked a minimum of four years, having no police record or trouble with the IRS, showing a knowledge of English and of "basic civic norms" and paying a U.S.$1,000 fee.

[16] The "527s" are named after the article that regulates their political participation. The most important of these groups are MoveON (sponsored by George Soros) and Media Fund.

[17] Their vote was decisive in the 2000 election, when six million Hispanics participated (35 percent voted for Bush and 62 percent for Al Gore).

[18] For instance, in California, 74 percent of Latinos, who make up 16 percent of the population, voted for Kerry; in New York, 54 percent of Afro-Americans (20 percent of the population) and 71 percent of Latinos (11 percent of the population) supported the democratic candidate. www.cnnnews.com and www. washingtonpost.com

[19] *Election Focus 2004*, 3 March 2004, www.usstatedepartment.gov

U.S. Elections Fact Sheet

History

- The first elections were held in 1619 for the Virginia House of Burgesses. Elections became common in the rest of the colonies and each one was a major event. Methods varied, from voice vote, hand raising and ballot boxes to the use of grains of wheat or beans to approve or reject a particular candidate.
- Voting requirements varied from colony to colony. At first, all residents were allowed to vote, including women. Later, requirements of property ownership, wealth, length of residence, type of employment and certain moral behavior were introduced. It was even a requirement that voters knew how to read and write.
- After the election of George Washington and the passage of the 1789 Constitution, the electoral system was consolidated. The Electoral College was established and, with it, the practice of the indirect election of the president through delegates.
- Women (in 1920), Afro-Americans (in 1870 in the North and in 1960 in the South) and other minorities gradually won the right to vote.
- The two-party system emerged in the mid-nineteenth century when the Democratic Party (previously the Anti-Federalist Party) and the Republican Party were consolidated as the two main organizations. Third parties have existed, but they have played a lesser role in Congress and none has ever won the presidency. Since World War II, the two main parties have shared an overwhelming majority of 94.8 percent of the popular vote in presidential elections.

Electoral Process

- Each party selects its nominee through caucuses and primaries carried out in all the states which assign delegates to the candidates according to the results of each race. The caucuses are meetings or informal assemblies of the party's local political activists in which participants discuss their preferences and vote directly. Primaries, open or closed, are elections using ballot boxes; if they are open, all registered voters, not only those registered for the party in question, can participate.
- Although every four years the figure varies slightly, the Democrats generally have 4,322 delegates and the Republicans 2,509. In addition to the 3,520 delegates the Democratic Party elects in the primaries, it has approximately 800 super-delegates (802 this year) picked from distinguished figures who also participate in the National Convention and freely decide which candidate they support. The Republican Party has a similar number of non-committed delegates (753 this year). The candidate who gets the majority of delegates at the party convention wins the nomination.
- Up until now, all incumbent presidents who have sought their party's nomination have gotten it. However, those who have met with the greatest resistance inside their parties, despite getting the nomination, have not been reelected (notable examples are Gerald Ford, James Carter and George H. W. Bush).
- The final election of the president is decided by the 538 electors who make up the Electoral College, the same number per state as are in the House of Representatives. The states with the most electoral votes are California (55), Texas (34), New York (31), Florida (27), Pennsylvania (21), Illinois (21), Ohio (20), Michigan (17), Georgia (15) and New Jersey (15). To win the election, a candidate must get at least 270 electoral votes. When this does not happen, the House of Representatives decides the election.

Funding

- Electoral legislation stipulates that candidates in the primaries have a right to U.S.$45 million in public funds, which they must decline if they accept private donations. Today, most candidates prefer to raise private funding and have developed strategies to get around federal regulations limiting contributions.
- After the 1974 Watergate scandals revealed that illegal monies from corporations and wealthy individuals had gone into Richard Nixon's reelection coffers, restrictions were established setting a limit of U.S.$1,000 in private contributions per candidate for primary or general races, with a U.S.$25,000 maximum per year per donor for different candidates.
- The McCain-Feingold Act sets certain restrictions on the way campaign monies can be raised and spent, particularly limiting so-called "soft contributions", those given to political parties by individuals, corporations, unions and other bodies, instead of directly to the candidates.
- Despite legal restrictions, candidates and parties can spend millions of dollars in radio and television spots, direct contact with the voters and the so-called "issue spots" that promote political positions on specific topics without mentioning the name or showing an image of any candidate.

The Antinomies of the Dollar The U.S. Fiscal Deficit And Current Account

Ignacio Perrotini Hernández*

Larry Downing/Reuters

Federal Reserve Board Chairman Greenspan speaks in Washington.

The most recent U.S. recession touched bottom in the third quarter of 2001 when the gross domestic product dropped 1.3 percent. The recovery, begun at the end of that year thanks to prompt tax incentives and increased consumption, investment and exports, peaked when GDP growth reached 2.2 percent in 2002 and 3.5 percent in 2003.

The speedy transition from crisis to expansion is the most important macroeconomic effect of George W. Bush's recent anti-cyclical fiscal policy. Nevertheless, by pulling the economy out of the recession, the government has set its federal budget on what the White House itself recognizes as an "unsustainable path" in the long run. According to the Congressional Budget Office (CBO), the unified public deficit came to U.S.$375 billion in the fiscal year of 2003,[1] and it will probably increase even more in the next 10 years if unemploy-

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ment stays at 5.2 percent and no drastic adjustments are made. In the long run, the increasing fiscal deficit is unsustainable because it represents an explosive public debt. Also, the deficit in the current account as a percentage of GDP has grown continually for more than 10 years. Today, it is at a record high of more than 5 percent of GDP. Just like the government's deficit, the imbalance in the current account is unsustainable because it represents a growing foreign debt and de-stabilizes the exchange rate, prices and the balance of payments.

This article will analyze the fundamental causes and effects of the fiscal deficit and look at the problem of the imbalance in the current account, its relationship to the public deficit and what that means for the stability of the dollar. In conclusion, I will comment on a probable future scenario for the dollar.

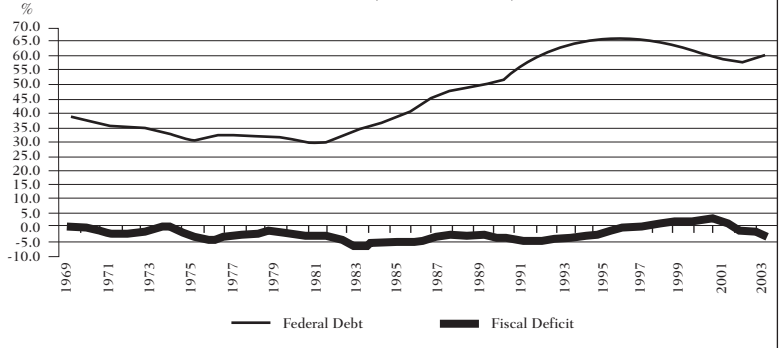
The Fiscal Deficit

The origin of the current imbalance in U.S. public finances is rooted in the 2001 recession. The swift drop in prices in corporate shares at the end of 2000, the increase in government defense spending, expenditures in several current public programs and the drop in tax rates aimed at stimulating aggregate demand contributed to eliminating the more than 1.5 percent GDP surplus that U.S. government finances reported from 1999 to 2001. The overall result is a unified fiscal deficit of U.S.$375 billion for the 2003 fiscal year, according to the CBO.[2] This amount could become explosive in the future, given that the fiscal impetus will continue to support expanding production, while the monetary policy will maintain its accommodating rhythm with practically zero-percent short-term interest rates (see table 1). Two additional reasons to expect future fiscal stimuli to aggregate demand are this year's presidential elections and the Fed's hypothesis that for the moment, the risk of inflation is being held off by the high margins of under-utilization of productive capacity (about 20 percent).

The most recent economic indicators show that, given the impact of the expansive fiscal policy on aggregate demand, the economy has made impressive product and real income gains, even though progress on job creation has been limited.[3] According to Alan Greenspan, the economy is now on the path of new sustained expansion. Economic growth *per se* should improve the profile of government accounts. In apparent contradiction, the White House and the Fed have expressed concern about lack of fiscal discipline. Why this concern? Private spending was the driving force behind the 1992-2000 stock market boom and economic expansion; the financial position of the private sector deteriorated 11.5 percent of GDP, reflecting an extraordinary increase in foreign debt, while public finances improved, going from a higher than 6 percent deficit in 1994 to an almost 2 percent surplus in early 2001. With the 2001 recession, the private deficit dropped and fiscal imbalances reappeared. The importance of this situation is that government debt is one of the fundamental premises on which the Fed designs monetary policy. That is why it is also important to know the exact amount of the fiscal deficit.

The official figure for the fiscal deficit (U.S.$375 billion in 2003, 3.5 percent of GDP or 16 percent of total spending) was arrived at based on the unified fiscal deficit. It is a figure that underestimates the real size of the problem because it includes spending programs financed by their own sources of revenue. A more precise measurement of the fiscal deficit should exclude the expenditures of federal employee retirement programs, Medicare, social security and unemployment insurance (programs that currently show a surplus).[4] Thus, the other way of calculating the figure gives us a "core" fiscal deficit that is the part of the budget financed by taxes on individual and cor-

Graph 1
Federal Debt and Fiscal Deficit as a Proportion of U.S. GDP (1969-2003)



Source: Economic Report of the President 2003.

porate income. Therefore, the "core" fiscal deficit for the 2003 fiscal year is approximately U.S.$600 billion, 5 percent of GDP or 61.3 percent of budgeted spending, not including interest payments or defense spending. This means that to balance the core fiscal deficit, it would be necessary to either reduce government spending by 61.3 percent or increase taxes 56.6 percent with regard to their 2003 levels to prevent the government debt/GDP ratio (δ from now on) from becoming unsustainable. Actually, it is not necessary to balance the government budget. It would suffice to maintain δ constant, which could be achieved —supposing, in accordance with the CBO, that long-term unemployment stays at 5.2 percent— by any of the following three means: 1) an approximately 18 percent tax increase; 2) a core budget cut of 22.1 percent of spending, not including non-interest, non-defense spending; or 3) a combination of 1 and 2. Any of these solutions would make it possible to keep the core fiscal deficit consistent with its historic average over the last 50 years (see graph 1). But, if the government does not change its current tax and spending policies, the core fiscal deficit, and therefore, the ratio, will become unsustainable. It should be emphasized that the ratio δ dipped slightly during the boom of the second half of the 1990s, but in the last two years, stopped dropping. This means that the new sustained expansion of economic activity is not guaranteed.

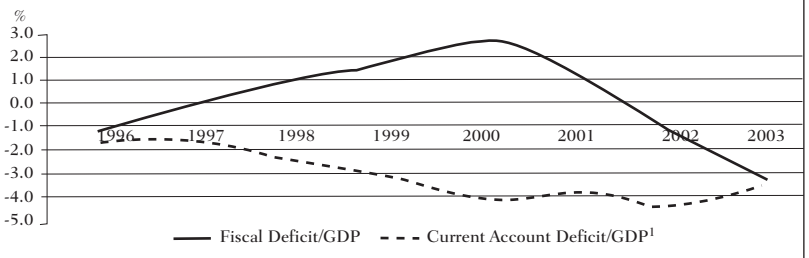
The Deficit In The Current Account

The deterioration of the current account is mainly determined by the negative trade balance. Today's current account deficit is 5.1 percent of GDP (U.S.$550 billion) (see graph 2), and it means nothing less than the transfer of U.S. financial assets of equal value abroad. Edward M. Gramlich, of the Federal Reserve System, maintains that there is a link between the fiscal deficit and the imbalance in the current account, but that by no means are they twins, as occurred with the Reagan-era deficits. The impact of the current account deficit on the fiscal deficit can be illustrated with the following figure: the interest, dividends and capital gains generated by the U.S.$550 billion associated with the current account deficit do not contribute to tax revenues because basically they are not taxed domestically in the United States. The CBO has overlooked this fact in its fiscal projections when it has not deducted it from the taxable income base that is the premise for the calculation of the fiscal deficit projected from now until 2014. If the deficit in the current account were to stay at today's 5 percent of GDP, then accumulated untaxed revenue would come to U.S.$ 302.5 billion. The fiscal deficit, currently at a record high of 5 percent of GDP, would increase 0.5 percent of GDP and, by 2014, government debt would have increased by U.S.$586.8 billion because of the current account deficit. It is obvious that under these circumstances the ratio δ would be unsustainable and the dollar, the world's main reserve currency, would become very volatile, feeding a scenario of international financial instability.

In his testimony before the House of Representatives Budget Committee, Alan Greenspan warned of the delicate financial position of the U.S. economy. It is worth quoting him at length:

> The dimension of the challenge is enormous. The one certainty is that the resolution of this situation will require difficult choices and that the future performance of the economy will depend on those choices. No changes will be easy, as they all will involve lowering claims on resources or raising financial obligations. It falls on the Congress to determine how best to address the competing claims. In doing so, you will need

Graph 2
Fiscal Deficit or Surplus and Current Account As A Proportion of U.S. GDP (1996-2003)



[1] The figure for 2003 is for the third quarter.

Source: Created by the author with figures from the Economic Report of the President.

to consider not only the distributional effects of policy change, but also the broader economic effects on labor supply, retirement behavior, and private saving. History has shown that, when faced with major challenges, elected officials have risen to the occasion. In particular, over the past 20 years or so, the prospect of large deficits has generally led to actions to narrow them. I trust that the recent deterioration in the budget outlook and the fast-approaching retirement of the baby-boom generation will be met with similar determination and effectiveness. But the ratio of federal debt held by the public to GDP has already stopped falling and has even edged up in the past couple of years —implying a worsening of the starting point from which policy makers will have to address the adverse budgetary implications of an aging population and rising health care costs.[5]

Of course, this would happen if there were no change in current domestic economic policy.

The Dollar, A Probable Scenario?

The CBO projected an adjustment in the fiscal deficit between 2004 and 2006, putting it at 1.83 percent of GDP in 2006, based on a 3.5 percent real GDP growth rate and a maximum of 2.1 percent inflation. On the other hand, the dollar has devalued 12 percent vis-à-vis its peak in early 2002 with regard to a broad basket of currencies of its main trade partners (the Federal Reserve "broad" exchange rate). Also, the economy's three institutional sectors (households, corporations and government) are overwhelmed by their respective debts. Under these conditions, the adjustment of macroeconomic imbalances in the United States has two alternatives: first, a new recession sufficiently deep to absorb the trade deficit and adjust the current account, or, second, a 20-percent or higher devaluation of the dollar to induce a "trade effect" (an increase in net exports) and a "price effect" (an increase in the competitiveness of tradeable goods, above all vis-à-vis the countries with greater trade surpluses than the United States, that is, Germany, China and Japan). The first method has the disadvantage of increasing the core fiscal deficit and therefore the ratio δ. The second runs the risk of increasing inflation. However, in current conditions, a devaluation of the dollar is the most probable scenario.

Implications for the World And Mexico

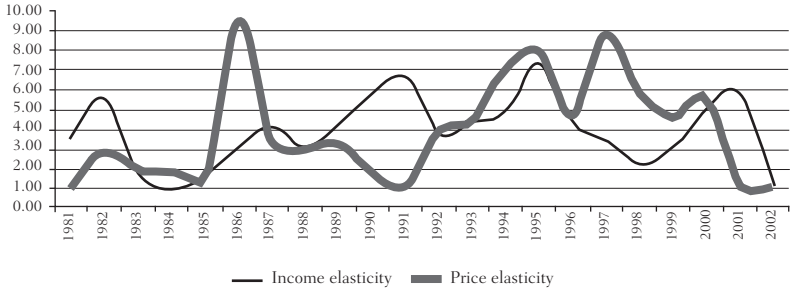
The Federal Reserve's Broad Index of the Exchange Rate (BIER) includes the United States' 36 most important trade partners. The U.S. government argues that the decline of the trade balance is explained because between 1992 and 2003, real GDP has grown more rapidly than the economies included in the BIER calculation. The "growth" effect on the trade deficit is real, but actually the matter is more complex than the official explanation would lead us

Table 1
U.S. Macroeconomic Indicators

	FISCAL DEFICIT/GDP	INFLATION	GDP GROWTH	UNEMPLOYMENT RATE	NET EXPORTS/GDP	NOMINAL INTEREST RATE	REAL INTEREST RATE
1990	-3.9	6.1	1.8	5.6	-1.9	8.1	1.8
1995	-2.2	2.5	2.7	5.6	-2.4	5.9	3.3
1999	1.4	2.7	4.1	4.2	-3.7	5.2	2.4
2000	2.4	3.4	3.7	4.0	-4.6	6.3	2.8
2001	1.3	1.6	0.3	4.8	-4.2	3.6	2.0
2002	-1.5	2.4	2.2	5.8	-1.2	1.7	-0.7
2003	-3.5	2.3	3.5	5.7		1.0	-1.3

Source: Economic Report of the President, 2003.

GRAPH 3
INCOME AND PRICE ELASTICITIES OF U.S. DEMAND FOR MEXICAN EXPORTS (1981-2002)



to believe. The Fed divides the BIER into two components: "major" and "other important" trading partners. The real GDP of the "major trading partners" has evolved more slowly than that of the United States in the last 10 years. In this case, the "growth effect" is applicable. By contrast, the "other trading partners" have grown more rapidly, but the trade balance with this group has deteriorated similarly to that with the group of "major partners." In other words, Germany, China and Japan are the main parties responsible for the U.S. trade deficit since the beginning of the 1990s long boom. Germany and Japan, threatened with the imminent risk of deflation, have grown less than the United States, but the dynamism of China's economy has far surpassed U.S. GDP. In the three cases, the United States has experienced a growing deficit in its bilateral trade balance. This is why a recession would be a bad solution to the new "twin deficits." A substantial adjustment of the BIER would be more effective than contraction.[6]

How would the correction of U.S. macroeconomic imbalances through a strong devaluation of the BIER affect the Mexican economy? In recent years, Mexico's GDP has grown less than the United States', and yet we have a trade surplus. The devaluation of the dollar would change relative prices in favor of the United States, and, *ceteris paribus*, would decrease our exports and slow down national production even more. The final impact of the adjustment to the BIER on the Mexican economy will depend in part on whether the devaluation is contractive or expansive. In the first case, the contraction of U.S. GDP would lead to a recession in Mexico (the 2001 U.S. recession decreased Mexico's economic growth rate by a little more than one percentage point). In addition, the U.S. labor market's reduced ability to absorb excess Mexican labor would have an effect on the remittances emigrants send back to our country (dollar remittances are one of Mexico's main sources of hard currency and are necessary for financing our current account deficit). On the other hand, if by virtue of the new BIER parity, the U.S. economy expands, the increase in Mexican exports would have a dynamizing effect on our economy. Graph 3 illustrates these effects: since the end of the 1990s boom, income and price elasticities of our tradeable goods have deteriorated. This means that the adjustment of the BIER would have to be truly expansive for the Mexican economy not to go from stagnation —in the last three years, it has grown less than an average one percent annually— to recession. VM

NOTES

[1] Alan Greenspan, "Economic Outlook and Current Fiscal Issues," testimony of the chairman before the Committee on the Budget, U.S. House of Representatives, 25 February 2004. http:\\www.federalreserve.gov\

[2] The unified fiscal deficit is derived from the unified federal budget, which is normally reported in national accounts. However, this budget and, therefore, the unified fiscal deficit, do not reflect the real situation of public finances because they include spending programs financed with their own sources of revenues, like social security, Medicare, federal employee retirement programs and unemployment insurance.

[3] Greenspan, op. cit. Because renewed economic growth has not decreased unemployment or improved income distribution, the 2002-2003 expansion has been called the "jobless recovery". See Fred Moseley, "Goldilocks Meets a Bear: How Bad Will the U.S. Recession Be?" *Monthly Review* (New York), April 2002; and Ignacio Perrotini, "Crecimiento con burbujas, deuda y deflación en Estados Unidos y su impacto en México," José Luis Calva, ed., *La economía mexicana en el 2o. año del gobierno de Fox. Memoria del XVIII Seminario de Economía Mexicana* (Mexico City: UNAM Instituto de Investigaciones Económicas, 2003).

[4] In fact, these surpluses represent government gross debt because they are invested in government bonds.

[5] Greenspan, op. cit.

[6] A substantial devaluation of the dollar is not without its consequences. For example, most of the private debt has gone through the stock market. This represents a potential for disrupting the financial system and dollar stability that the Fed must surely have taken into account. The effects of a devaluation on inflation, the distribution of wealth and public finances should also not be underestimated.

The North American Fossil Fuel Market Part II Integration

Miguel García Reyes*

Pedro Valtierra/Cuartoscuro

Introduction

In post-Cold-War energy geography, the industrialized nations, with the U.S. in the lead, are the ones that consume the most fossil fuels and have benefitted the most.

Almost 15 years after the United States began the construction of a Western Hemisphere energy bloc to alleviate the chronic crisis in this segment of its economy, and despite its leadership in the world fossil fuel market, the results are not very encouraging.

Of all the regional integration projects that the White House has designed and implemented in this period, the only one that has made significant steps forward has been the one it shares with Canada via the bilateral Free Trade Agreement. Today, Canada sends the United States 3.5 trillion British thermic units of natural gas and a similar amount of crude oil every year.[1]

By contrast, the other projects the U.S. has fostered that include the integration of a Western Hemisphere energy bloc, like the North American Free Trade Agreement (NAFTA), the Free Trade Area of the Americas (FTAA), the Puebla-Panama Plan and the Petroamérica Project, have faltered for economic and socio-political motives. For this reason, the United States is implementing other oil integration options that encompass countries from other regions of the world: Russia in Eurasia and Iraq, Kuwait and Saudi Arabia in the Middle East.

The situation becomes more dangerous for the United States if we consider the weakness of its oil industry, reflected particularly in the high growth of consumption and fossil fuel imports, espe-

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cially of natural gas, and the decrease in production and proven reserves.[2]

For this reason, in recent years, different U.S. administrations have applied oil strategies that use not only diplomacy, but other means such as political pressure and even armed action. Examples are the recent wars in Afghanistan and Iraq, one of whose main aims was to ensure control over those countries' oil fields.[3]

The current U.S. administration's aggressive behavior is a desperate attempt to maintain a constant flow of oil. This tendency to impose its will with regard to oil, even by using violence, is rooted in its current leadership role in both the "new international order" and the "new world oil order."

U.S. Leadership In The World Oil Market

As a result of the measures the United States has used to resolve its chronic fossil fuel crisis, it has even managed to head up the international oil market.

The effort that led the United States to its position of leadership in the oil market began in 1978 under the Carter administration and was propelled forward in 1991 by the first Gulf War. At that time, the United States' two main enemies in the international oil market, the Soviet Union and the Organization of Petroleum Exporting Countries (OPEC), began to weaken because of both internal and external problems. The Soviet Union disappeared precisely in 1991, and together with it, the powerful oil complex it had built. Its successors are the current oil industries of the 15 former Soviet republics. The OPEC entered a period of open decomposition in 1986 during that year's oil crisis and by 1991 had become a holdover from the Cold War,[4] when the U.S. army and its allies defeated Iraq in the first Gulf War.

The victory of the "West" over Iraq put an end to the bi-polar oil system that had operated during the Cold War, headed on the one hand by the Soviet Union and OPEC and on the other hand by the United States and the International Energy Agency.[5]

The U.S. owes its predominance in the fossil fuel market to a great extent to the implementation of a series of national and international oil strategies with their attending political, diplomatic and military facets. Through these strategies, different U.S. administrations have not only managed to recently ensure oil and gas supply for domestic consumption, but also to change the forms of foreign oil collaboration.[6] One example is the disappearance of the socialist energy bloc and, at the same time, the recomposition of the Western European bloc.[7] Other examples of the U.S.-propelled reconfiguration of the world oil market are Russia's alliance with the Asian Pacific nations and the creation of a Western Hemisphere energy bloc, beginning with the U.S.-Canada bilateral Free Trade Agreement and continuing with NAFTA, FTAA, the Puebla-Panama Plan and Petroamérica.

In this new post-Cold-War energy geography, the industrialized nations, with the United States in the lead, and their oil multinationals are the ones that consume the most fossil fuels and have benefitted the most.

U.S. Oil Strategies

The first president of the United States who resorted to international strategies to combat his country's oil crisis was James Carter: in 1978, in the midst of the Cold War, he came to grips with the inefficiency of the U.S. energy infrastructure and at the same time with the political instability of the world oil market. This was the result of the emergence of the OPEC and the prominence of the Soviet Union in oil matters.

In recent years, U.S. administrations have applied oil strategies that use not only diplomacy, but other means such as political pressure and even armed action.

At the end of the 1970s, the U.S. energy crisis looked like this: fossil fuel consumption had increased notably, partially because of the industrialization policy the country had implemented for a century; local crude oil and gas production had decreased because the wells already being pumped were giving out and little investment was in the offing, particularly in the area of geological-geophysical exploration; proven oil and gas reserves were also decreasing. In addition to all this, oil imports were increasing considerably.

Given this situation, President Carter decided to implement an oil policy which, among other things, restructured the domestic energy system, reviewed domestic energy prices, par-

ticularly those derived from crude oil and gas, and decreased fossil fuel consumption. The main idea behind these domestic measures was to make the U.S. oil industry more efficient at the same time that it created awareness among the public about the need to save energy.[8]

Abroad, the Carter administration thought it necessary to put the world on notice that the Middle East, where two-thirds of the world's proven crude oil reserves are to be found, is a strategic area for U.S. interests. This warning was aimed mainly at the Soviet Union, which at the time was supporting the OPEC and simultaneously trying to extend its sphere of influence in the Middle East and Africa.[9]

Through these measures, the Carter administration managed to introduce changes both in its domestic energy situation and in the international market. Domestically, it modernized its oil infrastructure, at the same time reducing local fossil fuel consumption. Internationally, it established the basis for the creation relatively shortly thereafter of a new world oil order in which consuming countries like the United States would control the market.

All of Carter's successors, but above all Republicans Ronald Reagan and George Bush, Sr., contributed to the construction of this new world order. They did it through the application of their own oil strategies wherein, particularly in Bush's case, they began to recommend the creation of an energy bloc in the Western Hemisphere.

While William Clinton did not carry out major actions to ensure U.S. hegemony in the world oil market, this does not mean that he did not strive to favor his country's energy interests. For example, his military adventures in Europe propitiated significant geo-political changes in the region, and he also opened up the doors of the old continent, particularly of the countries previously in the Soviet orbit, to U.S. oil multinationals.

Lastly, we should mention the enormous efforts of the current U.S. president, George W. Bush, who, advised by his father's strategists, has consolidated his country's leadership in the oil sphere. He has achieved this through the wars in Iraq and Afghanistan and the increasing presence of U.S. oil companies in the Europe and Asia, including in places like Russia, China, Vietnam and the former Soviet Central Asian nations. Only three years into his term, Bush, Jr. has managed to subject Russia even more to its oil interests, has weakened the OPEC, has bent the Venezuelan President Hugo Chávez to his will and has managed to gain control of Iraq's oil fields.[10]

In this sense, we have to recognize that the big losers in the struggle to control the oil market are Europe and Asia. We must remember that both depend on oil from the Middle East. One example is Japan, which imports 70 percent of the fossil fuels it consumes from the Persian Gulf. For this reason, it is possible that in coming years in the struggle between economic blocs, the one led by the United States will be calling the shots about trade in "black gold."

> If the United States felt its national security threatened because of oil, it would implement Plan B, which includes forming energy blocs with other countries in the world.

Toward a North American Energy Bloc

Given U.S. energy weakness over the last 15 years, its governments have designed and applied parallel short, medium- and long-term oil plans. As I have mentioned, among the measures that it is planning are the formation of an oil bloc in the Western Hemisphere. This measure, which took on strength during the Bush, Sr. administration, aims to ensure supply from abroad and at the same time decrease dependence on far-away sources like the Middle East. These two factors (domestic weakness and the need to have more trustworthy, closer oil partners) have spurred the United States to promote a hemisphere-wide energy bloc.

Washington began this process of regional energy integration in 1988 when it proposed a free trade agreement with Canada whose main objective is the import of Canadian gas. The reason behind it was the increase in U.S. gas consumption for ecological reasons. The Canadian decision to sign the agreement with the United States is based on the fact that it has abundant natural gas reserves and the market abroad cannot absorb them all. Today, Canada is the leader in gas exports to the United States.[11]

This situation, which favored the creation of the first North American energy bloc, was fortunate given the

Iraq's oil will allow the United States to regulate prices in the international fossil fuel market for a long time to come.

existence of a country with an oil deficit and another that could offer it its surplus. It was also fortunate in 1993, when the United States, Mexico and Canada agreed to sign NAFTA. However, at the request of the Mexican government, and in contrast with the previous bilateral agreement, the energy area was not given significant weight in the functioning of the regional bloc, although, of course, it was not completely excluded from the treaty.

We should clarify that regardless of its policies for North America, Washington worked on parallel projects for regional energy integration: the FTAA negotiations, the creation of the multinational Petroamérica and the Puebla-Panama Plan. Through these plans, excluding only Cuba, the United States is trying to consolidate a hemisphere-wide oil market which would be up and running by 2005. This energy bloc, the world's largest, would include electricity, oil and gas. While it is doubtful the bloc will be operating by 2005, its construction is quite well along, particularly in North America, and as a separate bloc for electricity in South America.[12]

Today we can see that it is not only the White House that is promoting the creation of Petroamérica, but also one of its supposed enemies, Venezuelan President Hugo Chávez, who on several occasions has invited Mexico, Brazil and even Colombia to be part of this hemisphere-wide oil project.[13] The United States' strongest allies for the Puebla-Panama Plan continue to be Mexico and Guatemala.

It should be emphasized that one of the reasons the Mexican government refused to include the energy sector, particularly fossil fuels, in NAFTA is the strategic importance of oil for the Mexican economy.[14] Another factor that led President Salinas de Gortari to keep the energy sector out of the treaty is politics: the ideological importance Mexicans still give to the exploitation of our natural resources.

Two other factors should be added: the enormous interests of the Mexican bureaucracy (which, in the case of the oil industry, date from the birth of the Mexican para-state company), and how difficult it is in Mexico to deregulate, finally allowing the entrance of private capital into the national energy sector.

It has been the combination of all these phenomena on the Mexican side that has put the brakes on the current process of energy integration of North America, which is beginning to have negative consequences for our country. These effects become even more severe if we take into account the differences in development between Mexico and its two neighbors, particularly if we accept the fact that our country depends to a great extent on oil income even though it has a more backward energy infrastructure.[15] This delay in the consolidation of the energy bloc has occurred despite the existence of the North American Energy Working Group, which meets frequently to discuss the actions that would speed up integration of the continent.

However, we should highlight the fact that despite these problems, Mexico and the United States are already interconnected. For example, we already have electricity grids in the western part of the country; and integration of natural gas is happening in the eastern part of Mexico, where gas fields extend over both sides of the border.

In the framework of the efforts to successfully integrate, the heads of the three nations met April 22, 2001, in Quebec to set up an accord that would allow them to coordinate and make local energy markets more efficient in order to satisfy their domestic needs.[16] This document points to the North American Energy Working Group as a valuable vehicle for promoting communication and coordination of efforts contributing to improving energy markets and tending to their fair, equitable integration.

However, despite the benefits that this joint work would bring everyone, the September 11 attacks led to the suspension of these efforts at integration since the United States requested the solidarity of its two trade partners for the war against international terrorism. This forced the three countries to slow down, but not stop, the process of regional energy integration.

Despite all these political and economic vicissitudes, at no time has the United States lowered its guard with regard to the work it has done to create its own energy space, starting in North America and ending with South America. The reason behind this is the increase in uncertainty, particularly political uncertainty, in the Middle East where the new international order is

being forged. The United States' fear is that in the near future oil exports from that part of the world could stop for some reason.

Conclusions

In spite of the problems —above all the political ones— the United States has faced in its efforts to build a hemisphere-wide energy system, in this case for fossil fuels, it has never stopped trying. To do so, it has taken advantage of its stature as the leader of the new international order and, of course, also of the new world oil order.

With our northern neighbor's emerging problems in Latin America, particularly of a political and social nature, everything seems to indicate that its efforts to constitute this bloc will meet with increasing difficulties. Today, Washington has energy difficulties with Mexico, Bolivia, Venezuela, and, to a lesser degree, with Colombia and Brazil. In one way or another, these nations are all reluctant to form an energy bloc with the United States and Canada because they think that, given the conditions the U.S. is trying to impose, they would come out the losers.

The country that has fought the most to oppose the creation of an energy bloc (particularly involving oil) is Venezuela, a nation headed up by a leader who emerged from nationalist military groups. Another country that has also created obstacles to regional integration is Mexico, where nationalist groups also demand more equitable treatment by the nation promoting the formation of the bloc.

The rest of the Latin American countries, with the exception of Bolivia, while not opposing the hemisphere-wide energy alliance, have done little to bring it about.

It seems obvious that in the near future, if the United States felt its national security threatened because of oil, it would implement Plan B, which includes forming energy blocs with other countries in the world. In that sense, we are left with the question of what would happen to our country and others in Latin America if suddenly the United States stopped buying our crude oil and gas and got it from other producing nations. We must not forget that economies like Mexico's and Venezuela's depend greatly on their income from the export of fossil fuels. VM

Notes

[1] Canada exports almost half of its total natural gas production to the United States and these exports are increasing rapidly. It also exports more than half its crude oil production and a significant amount of its electricity to the United States. Source: Grupo de trabajo de América del Norte, *América del Norte. Perfil Energético* (Mexico City: mimeographed paper, July 2002).

[2] See the first part of this article "The North American Fossil Fuel Market. Part 1: U.S. Fuel Weakness," in *Voices of Mexico* no. 66, January-March 2004.

[3] In the case of Afghanistan, the attack was not due centrally to its oil wealth, but to allow U.S. multinational oil companies to be close to oil fields in Central Asia, the former Soviet Union and eastern China. Central Asia has proven reserves of more than 200 billion barrels of crude and China, of almost 50 billion barrels. For an idea of how important these fields are, we can simply point out that current proven U.S. reserves total only a little over 22 billion barrels. Source: Miguel García Reyes and Gerardo Ronquillo Jarillo, *Estados Unidos, geopolítica y petróleo. Las estrategias petroleras como un instrumento de reconfiguración geopolítica* (Mexico City: Instituto Mexicano del Petróleo and CISAN, currently at press).

[4] In the 1980s two groups emerged inside the OPEC: the pro-U.S. "doves," Saudi Arabia, Kuwait, Nigeria, Indonesia and Gabon, and the anti-U.S. "hawks," Iran, Iraq, Libya and Algeria.

[5] Miguel García Reyes and Djalma Ojeda Fierro, *El nuevo orden petrolero global. El mercado en poder de los monopolios* (Mexico City: IPN, 1999).

[6] Miguel García Reyes and Gerardo Ronquillo Jarillo, op. cit.

[7] Miguel García Reyes, Yuri Burlin and Nikolai Krilov, "La crisis de la industria petrolera rusa y su impacto en el orden energético internacional," *Foro Internacional* 136, vol. 34, no. 2, Colegio de México (Mexico City), April-June 1994, pp. 269-306.

[8] Marcelo García Silva, "¿Energía y seguridad? Petróleo y política energética en Estados Unidos," *Estados Unidos. Perspectiva latinoamericana. Cuadernos semestrales* no. 19, CIDE (Mexico City), first half of 1986, pp. 225-256.

[9] At that time, with the aid of the Soviet Union, the OPEC controlled 65 percent of the world's oil production; the remaining producing countries, including the United States, only controlled 35 percent.

[10] We should point out that Iraq's oil will not only allow the United States to increase its proven crude oil and gas reserves, but will also allow it to regulate prices in the international fossil fuel market for a long time to come.

[11] Lavinia Salinas Díaz, "El proceso de integración energética entre Canadá, Estados Unidos y México. Implicaciones en la industria del gas natural" (master's thesis, UNAM School of Engineering, 2002).

[12] Pablo Musás del Pozo, "Retos energéticos de América Latina y el Caribe para el siglo XXI," *Revista de la Academia Mexicana de Ciencias*, vol. 50, no. 4 (Mexico City) December 1999, pp. 31-39.

[13] Miguel García Reyes, "Hacia la integración regional en América Latina," *Propuestas de política energética*, Fundación Heberto Castillo Martínez (Mexico City), March 2001, pp. 32-38.

[14] It should not be forgotten that of every peso the Mexican government takes in, 40 cents come from the state-owned oil giant, Pemex. This shows how much our tax system depends on oil, a dangerous situation for a country that boasts of having an economy that is not dependent on oil as it was in the 1980s, mainly during José López Portillo's administration.

[15] "Escaso avance en interconexión energética Mexico, Estados Unidos y Canadá," *El Financiero, Economía* section (Mexico City), 27 July 2002, p. 20.

[16] "Signa Fox acuerdo de coordinación energética con Bush y Chrétien," *La Jornada* (Mexico City), 23 April 2001, p. 3.

Going After Quebec's Water

Delia Montero C.*

Susana Navarrete/Cuartoscuro

Bottled water is highly concentrated in a few firms:
two European companies, Danone (France) and Nestle (Switzerland),
control the entire world market.

Water has become a natural resource of vital importance, and, in the twenty-first century, it will be a precious commodity comprising an important part of the wealth and strategic power of the countries that possess it.

Fresh water makes up 2.5 percent of all the water on the Earth's surface. Almost 70 percent of it is to be found in Arctic and Antarctic glaciers and deep, inaccessible underground water sources, making less than one percent of the world's fresh water available for human use in rivers, lakes and underground sources that can be tapped. This water is only replenished through rain and snowstorms, making it a limited renewable resource.[1]

Water distribution is quite unequal worldwide, and consumption has grown as a result of increased population, eco-

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Quebec has adopted a series of laws, regulations and policies to ensure the protection and management of water.

nomic development and urbanization, which have boosted pressure on this resource. For that reason, access to water is today one of the world's great challenges.

Sixty percent of the planet's water is concentrated in nine countries: Brazil, Russia, China, Canada, Indonesia, the United States, India, Colombia and the Democratic Republic of the Congo (formerly Zaire).[2] However, neither large investments nor water-related technology come mainly from these countries.

Quebec's renewable fresh water make up one-third of Canada's water resources and about three percent of the world's. Other countries with large resources are Brazil, with 18 percent, China with 9 percent, and the United States, with 8 percent. The disparity between water distribution in the world and its rational use is important, since all human activities require it. For this reason, in recent years, concern about preserving it has grown, as has the interest of large companies in managing and distributing it.

Today, nine companies are internationally active in the world water market, particularly in infrastructure, sanitation and distribution. Among them are three French groups (Lyonnaise des Eaux, Vivendi and SAUR/Bouygues); a Spanish company (Aguas de Barcelona), and five firms from the United Kingdom (Northumbrian, North-West, Severn-Trent, Thames and Welsh Water). None of these large groups are from Japan, the United States or Germany. As a result of mergers of some of these companies, the world market has, de facto, been divided into two large groups, with a third player made up of smaller groups:

a) The Suez Lyonnaise/Aguas de Barcelona group, which has many subsidiaries in France and other countries: Essex and Suffolk (England), Infilco and Lysa (France), and Northumbrian Water, Safege and United Water (United States), among others.
b) The Vivendi/Thames group made up of SAUR, Severn-Trent and North-West Water, also important in France.

Bottled water is also highly concentrated in a few firms: two European companies, Danone (France) and Nestle (Switzerland), control the entire world market.

Private companies have gradually been playing an increasingly important role in the sector, specifically from the 1980s on, when state companies began to be privatized. A few private companies took advantage of this and from then on have dominated the market, like the French Vivendi-Géneral des Eaux and Suez Lyonnaise des Eaux, which is the world's most important, supplying more than 110 million people worldwide, with investments in the Americas, Asia, Australia and Europe. These two companies have wide experience in supply, treatment and elimination of residual waters, as well as other services linked to the sector. They have a 40 percent world market share in 130 countries.[3] These two companies' increasingly important participation takes place in the context of the deregulation of trade, not only with the support of large international institutions, but also with that of national governments.[4]

Until the mid-nineteenth century, potable water equipment in Quebec was almost exclusively the property of private individuals or companies. However, the problems of lack of water, epidemics and fires led municipalities to take charge of water management. Currently, water services are in the hands of municipalities, which own almost all the infrastructure for distributing drinking water and dealing with waste water.

The municipalities use private companies to help with carrying out different services, like technical studies, new projects and some public offerings, among others. For about 10 years now, the private sector has participated in the production of equipment, such as in the case of some new water treatment stations, licensed through renewable professional services contracts. The large consortia like Suez and Vivendi have very broad participation in all these activities.

Despite the fact that Quebec has adopted a policy to protect water management, the participation of the large consortia is important. For that reason, the provincial government has made sure that the municipalities guarantee access of quality drinking water to the population. It has done this by participating in financing the development of infrastructure so that expenditures for supplying potable water, whether commercial, industrial or residential,

In Quebec, the industry has performed dynamically in recent years: sales volumes, particularly abroad, have increased tenfold.

and its administration, are taken on partially by the municipality. This water distribution policy is shown by the fact that only a few water meters have been installed, which means that consumption is unimpeded, in addition to being a service for which no additional charge is made.[5] The government charges taxpayers an annual tax, but it comes nowhere near the real cost of the water.

Quebec has adopted a series of laws, regulations and policies to ensure the protection and management of water, which are part of the broader category of environmental protection, together with sectors like mining and forestry, dealt with mainly in the Law on the Quality of the Environment and the Law on Water Management. However, bottled water does not come under the same heading.

In November 2002, a new law regulating water was passed, as part of the National Water Policy. It includes matters such as the control and purification of water, specifically for the agricultural, industrial and municipal sectors; more complete access to information about water and aquatic ecosystems; their protection and restoration, the representation of Quebec's interests in inter-regional and international bodies, particularly with regard to the Great Lakes and the Saint Lawrence River; municipal infrastructure and public access to eco-tourism involving water. One important aspect detailed in the document is the Quebec government's refusal to privatize water.[6]

However, water is a complex matter administered under two jurisdictions, both federal and provincial, and sometimes the two policies do not jibe. At the same time, the fact that some bodies of water, such as the Great Lakes and the Saint Lawrence River, are on the border must be taken into account, and this has an impact not only locally and federally, but also on international policy. Although the aforementioned document does not completely clarify many points, there are some important inter-governmental and international factors regarding water:

- the ownership of the water, particularly with regard to maritime matters;
- the administration of the resources of the Great Lakes and the Saint Lawrence River;
- the non-applicability of the North American Free Trade Agreement (NAFTA) to water in its natural state;
- the jurisdiction of the federal government for establishing norms about the use of water; and
- the bottling of underground water.

I think the last point is of great importance since Quebec water consumption, sales and even exports are increasing.

Bottled Water in Quebec

Quebec has three percent of the world's fresh water, which puts it in a privileged position, since this resource is abundant, and is maintained and renewed because of a series of conservation measures the government has put into practice. Above all, it has paid special attention to maintaining it as a state resource. Quebec has a total surface area of 1,667,000 square kilometers,or more than 16 percent of Canada's entire territory. Approximately 10 percent of that area is covered with fresh water.

Although difficult to estimate, the total volume of underground water is about 2000 cubic kilometers, 10 percent of which is to be found under inhabited areas. Approximately 236 million cubic meters annually, or 54 percent of all the underground water supply utilized every year, is used for human consumption (potable, bottled and mineral water). Thirty-nine percent (or 167 million cubic meters a year) is used for the production of food (drinking water for cattle, in irrigation and in the treatment and preparation of legumes). And, seven percent, or about 28.5 million cubic meters per year, goes to different industrial uses, among them geothermic processes. However, 45 percent of drinking water comes from the Saint Lawrence River; 35 percent from other rivers and lakes; and 20 percent from underground deposits.

Private sector participation in different activities linked to water has become important, particularly in bottled water, a sector in which the large European companies have participated freely and increased their sales in recent years in conjunction with the opening up of markets and the availability of the water itself. Because it is a natural resource indispensable for life, water is also a very attractive commodity for the companies that market

it, which is why they have ventured into the Quebec market seeking new opportunities of co-investment with established local companies.

The bottled water industry has high value added. In recent years, its production increased 13.4 percent, reaching a volume of 370.7 million liters. Quebec has a small number of large companies that dominate 80 percent of production, whose main source is underground deposits.[7] This kind of water is of very good quality and apparently there are no limits on its being marketed internationally since current legislation is not clear about whether there are quotas for exporting bottled water or not. According to Quebec civil law, if the owner of a piece of land has access to a stream, the water belongs to him or her and, in principle, no limitations are placed on its use. This partially explains the recent rise of water bottling companies.

While exporting water in barrels or water tankers is prohibited, the law does not make specific provisions about exporting bottled water, whose dynamic performance, particularly in the U.S. market, is very attractive. The bottled water industry is of three kinds: spring water (93 percent of production); mineral water (3 percent); and treated water (4 percent). The exploitation of underground water supplies by companies operating in the sector represents less than one percent, which is less than the consumption of about 900 households.[8]

Quebec's water industry represents approximately one-third of Canada's, and includes 20 companies that employ almost 800 people, with total sales of U.S.$120 million in 1994. These companies are clustered mostly around Montreal, where the water is of very good quality (Laval, Lauredites, Montérégie and Lanaudière), although some plants are in other parts of the province.

The foreign firms have a dual interest here: access to an insufficiently regulated resource and penetrating the U.S. market.

The bottled water industry is very concentrated: only four large companies employ two-thirds of the work force. The other bottlers are smaller. The industry is controlled by a few players with important links to large European consortia.

Of the four large companies, two are European owned: Eau de Source Labrador, which belongs to Danone, and the Perrier Group of Canada, owned by Nestle.[9] The foreign firms have a dual interest here: on the one hand, access to an insufficiently regulated resource, and on the other, an interest in penetrating the U.S. market. For this reason taking over small companies and the Quebec market is of vital strategic importance to the large consortia.

Bottled water consumption has increased rapidly worldwide in the last few years, as have exports. European consumption is an average of 100 liters per person per year, while in the United States, it is 43 liters and in Canada, only 20 liters.[10]

In Quebec, the industry has performed dynamically in recent years: sales volumes, particularly abroad, have increased tenfold, going from 10 million liters in 1990 to 101.7 million liters by 1999. Exports also increased greatly between 1992 and 1996, coinciding with the signing of NAFTA. Exports rose even more in 1997, going up by 103.2 percent compared to the previous year. Intra-provincial trade has also been on the increase, although to a lesser extent. By contrast, the consumption of bottled water in Quebec has not increased significantly, a fact that can be explained by the good quality of running water in the province and also the product's high cost.[11]

Exports of bottled water from Quebec, non-existent 10 years ago, have recently grown a great deal, constituting approximately 80 percent of all Canadian exports of this product.[12] In general, Canada's exports are strongly concentrated in the United States,[13] and water is no exception, since 98 percent of international trade in water goes there, whereas Japan receives only one percent.

Three different types of bottlers exist: small ones, who bottle less than a million liters; medium-sized ones that produce between one and 10 million liters; and the large ones, with a more than 10-million-liter output. Ninety-three percent of what the small bottlers produce is treated water, with 75 percent sold directly to consumers, delivered to homes and companies. By contrast, 99 percent of what the large companies bottle is underground water and 70 percent of their production is sold at convenience stores and supermarkets, stalls, restaurants, etc. The main companies are:

- *Breuvage Nora*, a Quebec company that produces the Naya brand, distributed in more than 30 countries, but mainly the United States and

Quebec has been correct maintaining the principle of not privatizing, ensuring that access to water continues to be a social right.

Japan. The Danone Group bought the assets of Naya, Inc. in 2000, including the Mirabel bottling plant founded in 1986 in northern Montreal;[14]

- *Eau de Source Labrador*, majority owned by the European giant Danone, has two bottling plants in Quebec and one in Ontario;
- *Les Sources Coulombe*, a Quebec company that bottles the *Boischatel* and *Cristalline* brands, distributed in most of Quebec;
- The Perrier Group of Canada, property of Nestle.

These international consortia's participation in a sector so highly protected by the provincial government brings out a series of questions with regard to extraction, handling and export, since current legislation is not very specific on these issues. Although export in barrels is forbidden, the export of bottled water is not, and until now, no reduction has been contemplated in quotas, which in the short run could create problems vis-à-vis NAFTA stipulations.

Final Comments

The international water market is dominated by a few corporations which, in addition to possessing a tradition and culture in the matter, have the know-how and the financial resources they need. An important part of these companies' commercial potential internationally resides in their financing capabilities, one of the main difficulties for smaller companies.

Quebec's bottled water industry is one of the fastest growing and least regulated, although this is not only the case in this province, but in many other countries. It has a 20 percent growth rate and, according to 2002 figures, world sales reached almost 90 billion liters (most in non-recyclable plastic containers), with a U.S.$22 billion profit, a figure not to be sniffed at.

In Quebec, this industry has experienced important development in recent years, partly because of the activities of large foreign consortia. These corporations have performed quite successfully in exports, which have increased exponentially toward the U.S. market.

Without a doubt, Quebec has been correct in maintaining the principle of not privatizing, ensuring that access to water continues to be a social right of the population. However, the large consortia have been gaining ground in specific sectors such as bottled water because of the trade opening that began in the mid-1980s, facilitating investments and mergers with local companies. Undoubtedly, these companies are waiting for new opportunities to administer one of the riches of the twenty-first century. VM

Notes

[1] Quebec Government, *L'eau, la vie. L'avenir. Politique National de l'eau* (Quebec: Quebec Government, 2002).

[2] Renewable reserves of the world's fresh water are calculated based on the average annual loss of water. This does not include underground supplies, but involves only water in rivers fed by streams, in the subsoil and lakes. Quebec's renewable fresh water comes to about 990 cubic kilometers per year, which represents three percent of the 38,000 cubic meters per year of the world's rivers. The Saint Lawrence River represents about 40 percent (410 cubic kilometers per year) of Canada's total volume, and makes for a yearly mean loss of about 13,000 cubic meters/second. The annual mean loss of the world's largest river, the Amazon, is about 225,000 cubic meters/second.

[3] Franck Poupeau, "Vivendi, une leçon de choses. Et l'eau de la Paz fut privatisée," *Le Monde Diplomatique* (Paris), May 2002.

[4] World Bank, *Involving the Private Sector in Water and Sanitation Services* (Washington, D.C.: World Bank, 1997).

[5] These meters have only been installed in a few plants.

[6] Privatization of water was widely discussed in Quebec through the Office of Public Hearings on the Environment (BAPE) and, after a series of public consultations, the conclusion was to not privatize. Bureau d'audiences publiques sur l'environement (BAPE), *La consultation publique sur la gestion de l'eau au Québec* (Quebec: BAPE, 2001).

[7] Ministère de Agriculture, "Pecherie et Alimentation, L'industrie des eaux embouteillées au Québec," http//www.agr.gouv.qc. ca/ae/publicat/resumes/eaux/r_eaux.html, 1998.

[8] Government of Quebec, *La gestion de l'eau au Québec*, a document for consultation (Quebec: Government of Quebec, 1999).

[9] Nestle has cornered about 30 percent of the world's bottled water market. Danone controls 15 percent, and Pepsi and Coca-Cola weigh in next. The bottled water industry is currently worth U.S.$22 billion and some experts put its potential growth at 30 percent annually. http://www.citizen.org/cmep/Water/us/articles.cfm?ID=8972

[10] Government of Quebec, op. cit., p. 41.

[11] Ministère de Agriculture, op. cit.

[12] Government of Quebec, *Sur la gestion de l'eau au Québec* (Quebec: Government of Quebec, 1997).

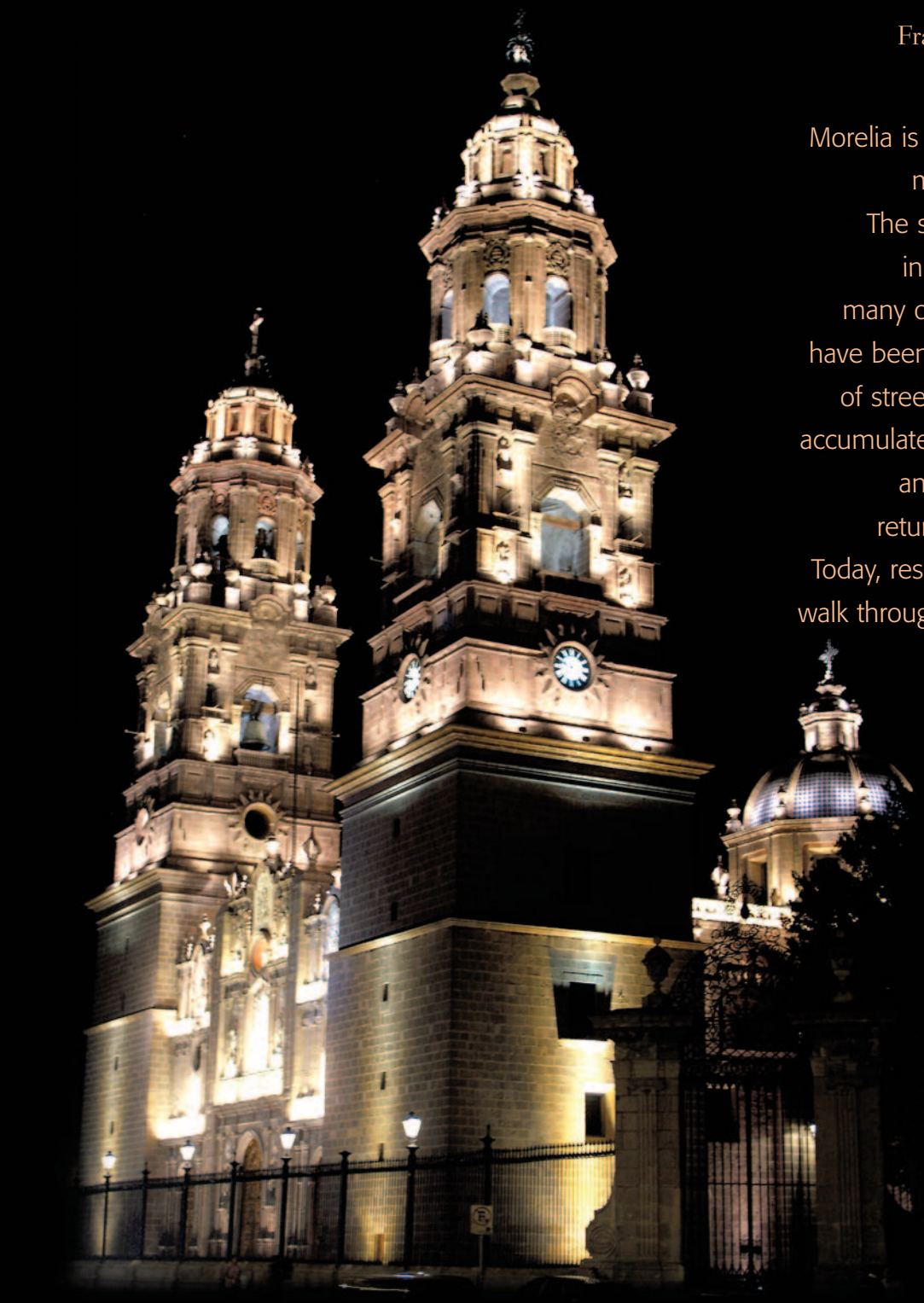
[13] Delia Montero, "Los vínculos de Canadá y México a partir de sus inversiones directas," Arturo Guillén and Gregorio Vidal, comps., *La economía mexicana bajo la crisis estadounidense* (Mexico City: UAM, 2003).

[14] With this acquisition, the Danone Group doubled its productive capacity in Canada and increased its reserves for developing a strategy in the U.S. Northwest. The Danone Group is strengthening its position as a leader with the Labrador, Cristal Springs, Volvic, Evian and Naya brands.

Morelia
The Imprint of Time

Francisco Xavier Tavera Alfaro*

Morelia is one of Mexico's oldest and most majestic colonial cities. The streets, plazas and buildings in its historic downtown area, many of them over 400 years old, have been rescued from the invasion of street hawkers and garbage that accumulated with the passage of time and uncontrolled growth, and returned to their early splendor. Today, residents and visitors alike can walk through it unhindered to uncover the imprint of its history.



Daniel Mungúia

Capital of the state of Michoacán and seat of the county of the same name, Morelia was founded May 18, 1541, by order of the first viceroy of New Spain, Antonio de Mendoza. To pay homage to the hero of Mexican independence, dubbed "the Servant of the Nation," José María Morelos y Pavón, born in the city September 30, 1765, the state's second legislature decided in September 1828 to call it Morelia. This replaced Valladolid, the name it was given in late 1577 or early 1578 by order of Felipe II of Spain.

Morelia is located in what was the central part of Guayangareo Valley, in a natural depression flanked by the Central Sierra mountain range, running east to west. The old part of the city is built on a slight hill that slopes down in all four directions, surrounded in good part by two streams. From the end of the sixteenth century on, its benign climate and fertile soil made it a good place to settle for landed gentry, merchants and the vast clergy, both secular and regular. They built huge mansions, beautiful public buildings, churches and spacious monasteries that gave Morelia the look of a distinguished criolla city of exalted lineage.

The original lay-out, done from 1541 to 1543, was designed prior to the criteria and norms that the Spanish crown decreed for the cities of the New World. Therefore, it turned out to be a modern lay-out, for its time, influenced by the urban ideas of the Renaissance. Thus, in accordance with the piece of land where it was erected, the city is laid out in square blocks with an irregular outline, as architect Ricardo González Garrido has observed.

In modern times, Morelia has spread outward in all four directions creating neighborhoods that are not very uniform. During its four and a half centuries, its inhabitants have left a mark that, like Penelope's cloth, has been repeatedly woven and unravelled. This imprint in time has been and continues to be the reigning norm for its police

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Daniel Munguía

Patio of the Palace of Justice.

Daniel Munguía

The Melchor Ocampo Plaza. In the background the cathedral.

Elsie Montiel

The Church of the Nuns.

Daniel Munguía

The Government Palace.

and good government, the life style of its inhabitants, its language and its slang, its gastronomy. But the first thing that strikes the eye are its buildings and walkways.

The most accessible of these are its public walkways, its plazas, its little squares, its parks and *alamedas*. They are public plazas that have served to provide pleasant, happy, frolicsome living and have sometimes turned into fora for political discussion. The old squares in the city's old neighborhoods —now with gardens and almost all of them next to some of the local churches, like the San José, El Carmen, Las Rosas, Capuchinas or Soterraña Churches— evoke an ancient tranquillity, like that described in the pages penned by Michoacán author Alfredo Maillefert. As he says, they are "an anchor in time" where time seems to be suspended.

In the very heart of Morelia are two plazas: the Plaza of Martyrs has a kiosk erected in the style of the times of Porfirio Diaz and is surrounded on three sides by porticos with their two-story houses, most of which have now been turned into businesses, lawyers' and doctors' offices and little shops; the smaller one is named after Don Melchor Ocampo, having previously been called Peace Plaza. Between the two is the cathedral, whose cornerstone was laid August 6, 1660, and was finished in 1774 in a contained, non-exuberant baroque style. Among its treasures we find a monumental organ played year in and year out in May during Morelia's international organ festival.

Across from the cathedral is the Government Palace, which from 1770 to 1859 housed the Tridentine Seminary College. The walls of the top floor and the stairway built in the second half of

Its benign climate and fertile soil made
it a good place to settle for landed gentry, merchants and
the vast clergy, both secular and regular.

Daniel Mungúa

Kiosk in the Plaza of Martyrs.

the nineteenth century were painted by artist Alfredo Zalce. On the main street, Madero Avenue, west of the large plaza, several architecturally and historically important buildings surprise the visitor. One is the San Nicolás College where Don Miguel Hidalgo, the Founding Father of Mexico, was a student, professor, treasurer and rector. Continuing with the memory of Hidalgo, on the opposite side of the street, on the second block down is a house with a beautiful interior where he stayed in October 1810 when he had already become generalissimo of the Americas and from where he decreed the abolition of slavery in the territories of a colonial New Spain that was already beginning to fade.

Next to the San Nicolás College is the University and Public Library in what was once the Company of Jesus Church, the proud owner of a rich collection of old books, among them several *incunabula*. Next door, toward the north on Nigromante Street, is one of the city's most beautiful buildings, the Clavijero Palace, a Jesuit holding from 1580 until their expulsion in 1767.

Toward the west along the same main avenue, several houses and the Mercedes Church give testimony of Morelia's architectural beauty. Along this same street toward the east are many buildings that testify to the importance of the local architecture. Among them are the Church of the Nuns and the Federal Palace next door, which came out of two different periods and architectural styles. Further to the east, the street broadens out and to the north there is a beautiful garden at the center of which we find a fountain designed by artist Manuel Tolsá, previously located in the Plaza of Martyrs. Here is the Tarascan Fountain with three exits to

Huge mansions, beautiful public buildings, churches and spacious monasteries gave Morelia the look of a distinguished criolla city of exalted lineage.

Daniel Mungula

Alfredo Zalce's mural in the Government Palace.

Elsie Montiel

Aqueduct.

Elsie Montiel

Clavijero Palace.

Daniel Munguía

Tarascan Fountain.

the east, bordered by the higher arches of the city's colonial aqueduct. The central exit gives onto the Friar Antonio de San Miguel Boulevard, undoubtedly one of the city's best public walkways. It is crowned by the Sanctuary of Guadalupe and, in a wide open space bordering on a nearby forest, there is a large roundabout with an equestrian statue of Generalissimo Don José María Morelos y Pavón, the hero who gave his name to the city. Both his houses, the one where he was born and the one he had built to live in, are in the city's historic downtown and are considered true shrines to the homeland.

Getting to know Morelia is to enjoy an on-going lesson in Mexican history. Other undoubted architectural attractions are the buildings that were originally built as schools, almost from the time the city was established. The founders of the fledgling town used their city council to open the San Miguel College under the academic guidance of the first Franciscan friars. This institution was given a great deal of property so that its income could pay for the expense of educating the children of the Spanish and some indigenous, sons of the local strongmen who settled in the neighborhoods built to provide labor for the burgeoning Spanish population. In 1580, when the Pátzcuaro cathedral was transferred to Valladolid, the Royal San Nicolás Obispo College, founded by Vasco de Quiroga, was also moved and merged with the San Miguel College. San Nicolás grew and also operated as a training school for priests. A short time later, the fathers from the Company of Jesus arrived and founded the San Francisco Xavier College and its church. In 1770, the Tridentine Seminary College was founded with professors from the San Nicolás College. During the colonial period, the Franciscan, Augustinian and Carmelite monasteries each had their schools to train those who were going to take their habits.

San Nicolás was closed when the insurgent war began in 1810, and reopened in 1847 as a lay institution called the San Nicolás de Hidalgo National College. It was a high school and also had schools of medicine, phlebotomy, pharmacy and law. Between 1729 and 1737, Bishop Don Juan José de Escalona y Calatayud founded the Las Rosas Conservatory for the education of little girls

Location and Communications

Morelia is located at an altitude of 1,951 meters above sea level and 19º42'00" north, 1º50' west of the Tacubaya meridian, or 101º11'00" west of the Greenwich meridian. Its annual mean temperature is 19º Celsius, with extremes of 38º and 3º Celsius. The population is over 900,000.

The city has been linked to the country's capital since 1883, and since the 1940s, a picturesque highway has crossed several towns in the state, linking it to Mexico City and Guadalajara. Other wider highways, built later, also connect Morelia with those two important cities. Also, highways hook up the city with the dynamic towns of the Bajío region, many cities of the state's Tierra Caliente region and the Pacific coast.

Efficient airline services put Morelia residents in close touch with Mexico City, Guadalajara, Tijuana, Uruapan, Lázaro Cárdenas, Los Angeles and Chicago.

and the promotion of music. After having been a religious institution, today it is a lay school called the Las Rosas Musical Conservatory, which has contributed to strengthening Morelia's musical tradition.

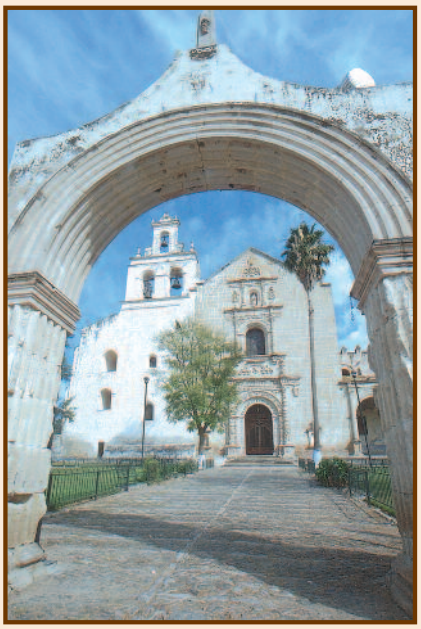
Concerned about women's education, the government founded the Girls Academy in 1886, a precursor of the Normal School, providing it with two buildings: one that currently houses the Michoacán Museum and the other that was originally a monastery for the San Diego Franciscans and today houses the School of Law.

In 1918, Governor Ortiz Rubio founded the San Nicolás de Hidalgo Michoacán University, which has constantly expanded the number of its schools, departments and institutes. The city is also home to the Latina de América, Vasco de Quiroga and Morelia Universities, a campus of the Monterrey Technological Institute of Higher Learning and the Morelia Technological Institute. So Morelia's academic and cultural life parallels that of other major cities in Mexico. MM

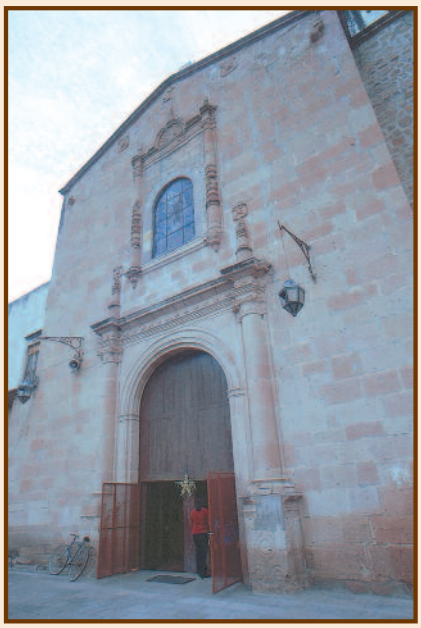
Daniel Mungula

Facade of the Las Rosas Conservatory.

Side door, Saint Paul Church, Yuriria.



Facade, Saint Mary Magdalene Church, Cuitzeo.



Doorway, Santiago Monastery and Church, Copándaro.

Yuriria, Cuitzeo and Copándaro
Three Stone Arrows in the Heart of Michoacán

Jaime Abundis Canales*
Beatriz del Consuelo Camacho**

The Europeans' appropriation of Michoacán's lake district ("the place of those who have fish") in the third decade of the sixteenth century was less arduous than the conquest of Tenochtitlán. The Purépecha lords submitted to the conquistadors without a fight, and the radical change in their way of life was based on the evangelizing of two mendicant orders, the Franciscans and the Augustinian Hermits. In 1537, the Augustinian chapter elected Friar Nicolás de Ágreda as provincial vicar, whom Viceroy Antonio de Mendoza asked to join the evangelizing work in Michoacán because there were insufficient Franciscans.[1] The encomendero of Tiripetío, Juan de Alvarado, offered them the town as a base of operations, and they used it to extend their work throughout Michoacán.[2]

Having arrived in 1533, after the Franciscans and Dominicans, the Augustinian Hermits came to the West Indies to evangelize, on the prompting of Saint Tomás de Villanueva, among others. Imbued with the sixteenth-century missionary spirit, the Augustinians had to go to the areas left open by other orders or places where there were not enough missionaries. This was the case of Mi-

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** Volunteer at the Old San Ildefonso College.
Photos courtesy of Jaime Abundis.

Doorway, Saint Paul's Monastery, Yuriria.

Stairway, Saint Paul's Monastery, Yuriria.

Any description of the architectural virtues of Yuriria's monastery falls short of the building's real beauty.

choacán, where they had the support of their first bishop, Vasco de Quiroga.

The task taken on by the mendicant friars in the first few decades was more complex than is usually imagined and ended up by profoundly transforming the indigenous peoples and establishing the basis for a new nation. The discovery of the native cultures, learning the languages, developing new teaching methods, getting the indigenous to congregate and settle, assimilating native traits, carrying out the cultural and religious educational process, eliminating old beliefs, laying out new towns, in brief, coming up with practical solutions to the many unexpected problems, were tasks that they had to deal with before they could undertake to erect permanent buildings.

One of those missionaries was Diego de Chávez, born of a wealthy family in Badajoz. His uncles Pedro and Jorge de Alvarado were prominent in the conquest of New Spain, but after arriving, Diego preferred to follow the religious life among the Augustinian Hermits from 1535 on. Two years later, he settled in Tiripetío, where, in addition to his religious duties, he learned philosophy, scholastic theology, the Purépecha language and the work of the *alarifes*,[3] architecture. Soon he became prior and erected new buildings. Thus, the illustrious Augustinian Friar Alonso de la Veracruz saw in Friar Diego the ideal candidate to found a new monastery near Yuririapúndaro (meaning the "lagoon of blood") around 1550. Since the lake was fed by streams and springs, there was abundant drinking water, facilitating settlement. Friar Diego had to confront all the conflicts of evangelizing, but also the constant harassment of warring indigenous peoples in that then-border region. With support from General Alonso de Sosa, Friar Diego was able to contain them, congregate the friendly indigenous, plan the town and build an enormous monastery dedicated to Saint Paul, which he used to compare to El Escorial. When most of the work was done, he returned to Tiripetío to finish part of that town's monastery around 1562. Appointed bishop of Michoacán, he went to Mexico City, fell ill and, with-

Cloister corridor, Saint Mary Magdalene Monastery, Cuitzeo.

Saint Mary Magdalene Monastery, Cuitzeo.

In Cuitzeo a large indigenous population demanded the building of a luxurious open chapel into the doorway.

out taking his new office, died in 1573. He was buried in Tiripetío.

A short distance to the south of Yuriria was an indigenous settlement picked to establish another Augustinian parish monastery around 1550: Cuitzeo (meaning "the place of the large earthen jars"). Here, there was also an enormous lake, but since it was of salt water, even though it provided abundant fish, very deep wells had to be dug to obtain drinking water. Friars Francisco de Villafuerte and Miguel de Alvarado (a relative of Friar Diego de Chávez) founded a monastery dedicated to Saint Mary Magdalene there. The warring indigenous tribes kept the neighboring villages on the defensive until the late sixteenth century, but they did not dare attack the main town. That first establishment was nothing more than a large hut, but it was soon replaced by a luxurious building inspired by the one in Yuriria. One of the villages under the Cuitzeo Augustinians was Copándaro (meaning "place of avocados"), located a short distance from the lake's southern edge. For 16 years the Santiago Copándaro *visita* was attended to from Cuitzeo, until it was elevated to a priory.[4]

At the center of the three towns, the Augustinians erected three extraordinary monasteries that continue to invite admiration. With the help of a master builder from Mexico City, Pedro del Toro, Friar Diego de Chávez designed and built an enormous monastery complex in Yuriria. A totally unprecedented case, here a cross-shaped church was laid out, a novelty in New Spain, on the south side of a two-story monastery organized around a traditional cloister. The cross-shaped lay-out would become common after the seventeenth century.

Any description of its architectural virtues falls short of the building's real beauty. The church's main doorway is undoubtedly derived from those of San Agustín Acolman and Santos Reyes Metztitlán in the state of Hidalgo, although it has its own unique flavor thanks to the carved vines covering the second floor and the cap, enriching the carving of the balustered columns, the niches and the fine statues of the apostles Peter and Paul, the

Baby Jesus and the traditional founder of the order Saint Augustine of Hipona.

The side doorway, with its image of Saint Nicolás de Tolentino, is no less impressive. But, going through the doorway, the size and qualities of the nave itself cause the greatest awe. The barrel vault, decorated with a painted coffer is followed by the transept, the side transepts and the apse covered with Gothic ribs. Though the altarpiece that Friar Diego began has disappeared, today's neo-classical altars harmonize with the remains of the pictorial decoration. An Augustinian chronicler echoed the words of Tertullian about Rome's Pompeii Theater when he said of this church, "It was so great that only the spirit of He who made it was greater."

Next to the church is the monastery's superb doorway, which foreshadows its magnificent interior. The cloister is surrounded by arches on both levels, held up by columns anchored in strong abutments; its lower corridors are covered in ribbed vaults, as is the stairway. The vestiges of murals that at one time made the rooms more beautiful can be seen everywhere. As the visitor walks through the chapter room, the refectory, the kitchen, the *cilla* (a cupboard for flour), the cells, the corridors, the *de profundis* room, the library, the WCs, the look-out points, stories from times past come out to meet him. If that were not enough, the exterior buttresses, the battlements and the talud give the building an uncommon monumental character.

The Cuitzeo complex seems to have been laid out by the same *alarife* from Mexico City given its similarity to Yuriria. However, its church is different in that it has the usual single nave. A large indigenous population in its early times demanded the building of a luxurious open chapel into the doorway, but the atrium was lost, including the unusual vaulted chamber at the center, used for teaching children.

The task taken on by the mendicant friars in the first few decades of the colonial era ended up by profoundly transforming the indigenous peoples.

Corner of the cloister, Santiago Monastery, Copándaro.

Santiago Church and Monastery, Copándaro.

The church's doorway, less elaborate than Yuriria's but no less sumptuous, seems to have been carved by an indigenous artisan named Juan Metl (meaning "maguey" in Nahuatl), according to the inscription on one of the frames. Its three superimposed openings are flanked by beautiful columns that emphasize the vertical. The church's interior proportions are surprising. It once held three beautiful golden altarpieces, the largest of which was a work with paintings and sculptures made in Mexico City.

The cloister has a large cistern under the floor for collecting rain water and a double row of arches on the second floor. It also has the remains of murals; of particular interest is one of a crucified friar on the stairway landing. Pillars, columns, ribs, arches, vaults, frames, doorways, battlements and buttresses all testify to the quality and building style of the sixteenth century.

An attempt was made to reproduce the Cuitzeo monastery more simply and on a smaller scale in Copándaro. The church's doorway reflects harmony and wisdom, despite its simplicity. The murals on the doorway, the nave, the chancel and the hallways show the mastery of their painters. But the minuscule cloister is the convent's gem. Two elliptical arches on the bottom crowned by round arches paired above suffice to give it an unusually human, warm scale.

The Augustinian coat of arms, crowned by its three arrows, alluded to Saint Augustine's particular devotion for the Holy Trinity. These three extraordinary monasteries cleave themselves to the heart of Michoacán's lake district like three stone and wooden arrows that symbolize better than anything else the full charitable effort of those sons of doctor Saint Augustine to offer a better life to their mild sixteenth-century flocks.[5] VM

Notes

[1] A chapter is a regular meeting of religious in which they decide on important matters.

[2] An encomendero was a landlord in charge materially and spiritually of a group of indigenous. [Editor's Note].

[3] *Alarife* is an archaic term derived from Arabic meaning architect or master builder.

[4] A *visita* was a church attended to from time to time by the friars whose main base was a central monastery.

[5] Saint Augustine was one of Catholic Church's four illustrious doctors (givers of doctrine) in the Middle Ages.

Elsie Montiel

Patzcuaro's Lakeshore Towns and Villages

Alberto de Lachica* Miguel Monje**

The crossroads is certainly intriguing. All three directions seem equally enticing: General Docks, San Pedrito Docks and Erongarícuaro. From both San Pedrito and General Docks, you can reach the four islands in Lake Pátzcuaro by boat. Janitzio is the one with the towering statue of Generalissimo Morelos, a Mexican national hero who lent his name to Michoacan's capital city, Morelia. The murals decorating the inner staircase that lead visitors to its top, much like the Statue of Liberty, are beautifully reviewed in another article of this issue. The other three islands are Pacanda, with its poultry industry; Tecuen and Yunuen. It is impossible not to recall the beautiful songs dedicated to two of them: "Janitzio," by Agustin Lara, and "Yunuen" by Gonzalo Chapela y Blanco.

If you take the far left and go to Erongarícuaro, you enter a unique region whose euphonic, proparoxytone town and village names along the southern and western shores of kidney-shaped Lake Pátzcuaro are music to the ear. Some of their meanings pose some pleasant surprises: Tzipecua, "a rock where you can contemplate"; Huecorio, "a place where you can fall"; Santa Ana Chapitiro, "a place where you can find milled wood"; San Pedro Pareo and San Bartolo Pareo,

* A certified public accountant and lecturer at Michoacán University, who has lived in Morelia for almost 40 years.

** Auto mechanic born and living in Erongarícuaro, and author of an unpublished book about the region.

Alberto de Lachica

This is a region of awesome landscapes,
ancient history, interesting traditions, wonderful crafts,
amazing colors and tasty food.

both mean "a place of cacti"; San Andrés Tócuaro, "a place of a stone called 'Tocua', suitable for making axes"; Arocutin, "on the shore"; Jarácuaro, "a place of worship of the god Xaracua"; San Francisco Uricho, "a place of artisans"; Erongarícuaro, both "a place of waiting/hope/ expectation" and "watch tower"; Napizaro, "place of acorns"; Puacuaro, "place of snails"; Oponguio, "place for bathing"; San Andrés Tzirondaro: "marsh"; San Jerónimo Purenchécuaro, "place where ceramic pots are sold".

Pátzcuaro s name has several meanings: "where people are painted in black"; "place of foundations"; "place of belfry walls"; "place of joy" or "place of *cues* (temples)". Janitzio means "corncob flower"; Pacanda, "to push something in the water"; and Tecuen, "wild, ferocious animal".

This is also a region of awesome landscapes, ancient history, interesting traditions, wonderful crafts, amazing colors and tasty food. You should make the most of your trip by navigating through their history, deeply enmeshed in the works of Don Vasco de Quiroga (*Tata* Vasco for the indigenous), a famous sixteenth-century lawyer-bishop inspired by Saint Thomas Moore's *Utopia*. *Tata* Vasco soon became the foremost protector of the indigenous people. Wisely and kindly, he laid the foundations for their education and established a socio-economical organization that is still operational in many ways; you can easily trace the origin of much of the craftsmanship back to those days. He developed skills, allotted materials, recognized their wealth in natural resources and assigned profitable activity to many villages, so they specialized in a specific art or craft. In these towns, wood, textiles, clay, copper, leather, paper, just to name a few, are lovingly and miraculously crafted to this day. Quiroga also organized hospital and trading towns and brought banana and sugarcane seedlings from La Hispaniola Island in the Carib-

bean Sea (now the Dominican Republic and Haiti), today widely cultivated.

Though similar at first sight, all the towns are distinctive. In Tzipecua, for example, General Francisco J. Múgica (a former student of the priesthood turned socialist and revolutionary, Michoacán representative in the Congress that drew up the present 1917 Constitution, and reportedly the driving force behind Mexico's 1938 oil nationalization) built a mansion atop a rock. A crony of General Lázaro Cárdenas, a powerful political figure and president of Mexico from 1934 to 1940, Múgica fell out with his former ally and died without being made the candidate for the presidency. Many a celebrity visited his house: Leon Trotsky; André Breton; Diego Rivera; Frida Kalho, all hosted by its Marxist owner. There are plans for establishing an Indigenous Cultures Museum here.

In San Pedro Pareo the most attractive and interesting feature is no doubt its church, particularly the tower, with high-relief stone images whose interpretation still raises some questions. Dog-like animals; fish; flowers; the founding of Mexico-Tenochtitlan; a naive depiction of the apparition of Our Lady of Guadalupe, with a thrown rider lying on the ground in awe and wonder beholding the miracle; an Indian with his feathered headdress shooting arrows: these are some of the figures depicted. At the entrance, atop the wooden door, is a remarkable carved silhouette of His Holiness, Pope John Paul the Second.

San Andrés Tócuaro, on the other hand, has earned a place of its own through its unique craft: masks and wooden sculptures. Masks were widely used in pre-Columbian days for worship, dance and funeral ceremonies; they were made out of stone, ceramics, precious stones and wood. Tócuaro excels in the latter. Most artisans belong to the Horta and Castillo families, whose craft secrets have been transmitted from generation to generation with awesome results. Strolling through Tócuaro's many homes-ateliers is a most rewarding experience.

Jarácuaro, formerly an island and now a peninsula, reachable through a causeway, is remark-

Alberto de Lachica

The San Pedro Pareo Church tower.

Alberto de Lachica

Detail, indigenous with *carca* pot at the San Pedro Pareo Church.

able for its unique tradition in dance: the many spectacular dances, with costumes, music and steps, blend Indian and Spanish folkways. The most noticeable of them is the Dance of the Old Men, especially the rendering by *Tata* Gervasio: with its accelerating tempo, its railroad-like sound and the forced pirouettes dancers disguised as old men have to make, it is really something to see. Jarácuaro hosts 22 musical-dance festivals a year, so you stand a chance of running into one of them.

Erongarícuaro used to be a main place of worship of Curicaveri, god of the sun. According to legend, the Spaniards peacefully converted the rebellious Indians to Catholicism thanks to a miracle: Young Prince Curatame of Naranxan (one of the three realms that formed the Tarascan Kingdom) came here to wait in great expectation for Princess Inchátiro, from Jarácuaro. But her parents did not approve of the romance; they had promised their daughter's hand in marriage to a prince from Tzintzuntzan, another realm. With no way out, Princess Inchátiro decided to drown herself in the lake during a storm. Her body was recovered and taken immediately to the Temple of the God of the Sun in Erongarícuaro and kept there all night while ceremonies and prayers were held in the hope that the rising-sun god would bring her back from darkness, but nothing happened. Later on, that same day, Brother Juan de San Miguel, who happened to be passing by, knelt and prayed, holding his golden monstrance with a holy wafer. Miraculously, Princess Inchátiro came back to life. The indigenous people were impressed and devoted themselves to Brother Juan's beliefs and his sun-like monstrance, so the formerly ferocious Indians became docile and sincerely accepted the new religion, making the conquest and the spread of Christianity possible in the whole region.

Later, Brother Jacobo Daciano, a relative of the king of Denmark, designed and built the Franciscan convents in Erongarícuaro, Tzintzuntzan, Tarecuato and Tzacapu, true masterpieces of their architectural style.

Erongarícuaro was also an important trading post because of its strategic location. It supplied

Alberto de Lachica

The San Jerónimo Purenchécuaro Church.

Michoacan's Tourism Office

Dancers wearing masks for the traditional Dance of the Old Men.

Alberto de Lachica

Third Order Chapel, San Pedro Pareo.

the mines in Coalcomán: wood, cloth, tools, animals, food and even slaves were traded here, and it also became a port for lumber and silver, gold and tin from the mines.

A curious place was built in this town by a British World War I veteran. Having survived the war, he still felt the need for protection and built air-raid shelters on his estate, now used as a summer camp for children who learn arts and crafts and survival techniques in the open countryside. They enjoy trekking and biking in the most beautiful surroundings and are fed organic food, grown on the estate itself and nearby.

In Napizaro a large church painted bright yellow and built like a French Saharan fortress is the most striking feature, recently collectively erected by residents. Each family performed a different task: brick laying; plastering; painting; carpentry; electricity, and so forth. But everything pales when you learn that the massive, solid doors were entirely cut, assembled, polished, plugged, varnished and glazed by Don Juan, an artisan blind from birth! He can also detect and identify many different kinds of wood by sound, just by knocking on it.

In the lake-side town of San Andrés Tziróndaro, you must not miss the church, which boasts an imposing, dramatic sculpture of Jesus chained to a column. San Andrés and San Jerónimo Purenchécuaro are the largest of all the towns on the southern and western shores of Lake Pátzcuaro; they are very neat and generally well preserved, although many modern and fancy houses, a byproduct of the dollars send back home from migrant relatives, are severely damaging the town's landscape.

Other shores and other towns and villages are as interesting as those commented here, particularly Lake Pátzcuaro's three gems: Pátzcuaro City; Tzintzuntzan and Santa Fé de la Laguna with a long history of traditions and crafts. But that is another story. VM

Photos by Vicente Guijosa

The Alfredo Zalce Contemporary Art Museum

Juan Manuel Morelos*

The Museo de Arte Contemporáneo Alfredo Zalce (Alfredo Zalce Contemporary Art Museum) opened its doors in 1971. Originally called the Contemporary Art Gallery, it is located in what was the San Pedro neighborhood of the colonial city of Valladolid, today Morelia. The building that houses the museum was built in the San Pedro Forest, renamed the Cuauhtémoc Forest in 1916. The land originally belonged to indigenous people, inhabitants of San Pedro, who in 1854 turned it over to the state government in exchange for the Aguacate Ranch. Around 1861, it was divided into lots and the new owners built country houses and great gardens on them. The house, built in 1897, belongs to the *Porfirian* period and is architecturally eclectic but reminiscent of the French style. In the early twentieth century it belonged to Manuel Ibarrola, who left it to his widow, María Concepción Macouzet, in 1937. After passing through different hands, the state government decided to acquire the building to create what is now the Alfredo Zalce Contemporary Art Museum.

The first expositions held there included cinetic art, sculpture and a permanent exhibit of Loraine Pint's photographs. In 1972, the gallery's name was changed to the Contemporary Art Museum. It closed in late 1980 for two years of restoration.

In 1982, it was re-inaugurated with a magnum exhibition of Michoacán artist Alfredo Zalce's work. Three hundred pieces were put on display, among them painting, engraving, sketching, duco lacquer, sculpture, tapestry and ceramics. It was one of the most complete expositions ever held of Zalce's work; it had great ideological content and aimed at showing the pictorial movements of the moment and reaffirming national values. In 1993, "Alfredo Zalce" was added to the museum's

* Historian and research coordinator for the Alfredo Zalce Contemporary Art Museum.

Alfredo Zalce, *Morelia at Night*, 120 x 153 cm, 1996 (tapestry).

Alfredo Zalce,
From the Kitchen,
84 x 61 cm, 1974
(acrylic on plywood).

Alfredo Zalce,
Model, 91 x 110 cm, 1969
(oil on Masonite).

Alfredo Zalce, *Sentinel "Cat in Fishbowl,"* 40 x 56 cm, 1980
(wood cut, colored by hand on paper).

name in recognition of this great Michoacán artist, a representative of the so-called Mexican school of painting and the last exponent of Mexican muralism, as well as an untiring social fighter and promotor of the visual arts.

The Permanent Collections

The museum has a permanent collection of Zalce's paintings and sculpture, of which only 13 pieces are on display at any given time; they are rotated constantly with pieces kept in storage. The garden boasts three Zalce sculptures: on the left are *Dance* and *Acrobat*, while in front of the building is *Woman*. The museum also has different collections of work by internationally renowned artists, among them: graphic work by Efraín Vargas; a Chicano silk screen collection; posters; photography by different artists; sketches and paintings by Luis Sahagún; a collection of engravings by José Guadalupe Posada; and works by Manuel Manilla, Octavio Vázquez Gómez, José Luis Cuevas, Vicente Rojo, Pedro Banda, Heriberto Juárez, Luis Palomares, Octavio Bajonero, Jesús Escalera, Francisco Huazo, Javier Cruz, Enrique Ortega, Tina Modotti, Joan Miró, Detapless, Rufino Tamayo, Mimmo Paladino, Juan Manuel de la Rosa, Francisco Toledo, Nierman, Tebó, Lotar Muiller and Carlos Gutiérrez Ángulo.

Other Activities

The museum hosts conferences, lectures, seminars, specialized courses, workshops, concerts and operas. It organizes temporary exhibits year round. Also, to promote the participation of children and young people, the institution has developed different educational programs, including guided tours and workshops.

The museum also houses an independent Documentation and Research Center for Performing Arts; here, the general public can access materials about dance, theater, opera, music and performance art. VM

Museo de Arte Contemporáneo Alfredo Zalce
Avenida Acueducto 18
Centro
Morelia, Michoacán
Phone: 312-5404, 312-4544
Hours: Tuesday to Friday: 10 a.m. to 8 p.m.
Saturday and Sunday: 10 a.m. to 6 p.m.

Brief Notes on Alfredo Zalce

Alfredo Zalce was born in Pátzcuaro, Michoacán, in January 1908. His parents, Ramón Zalce and María Torres, were professional photographers. Alfredo was drawn to painting at an early age and at 16 entered the National Fine Arts School's prestigious San Carlos Academy in Mexico City. There, he studied under Germán Gedovius, Leandro Izaguirre, Sóstenes Ortega, Carlos Dublán, José María Lozano and Juan Pacheco, among others. In addition to being an outstanding painter, Zalce was a teacher and promotor of the visual arts: he founded the Taxco School of Painting and Sculpture in 1930 in the state of Guerrero; he was drawing master at several primary schools in Mexico City; he taught at the San Carlos Academy La Esmeralda National School of Visual Arts; and in 1950 he was named director of the People's Fine Arts School in Morelia.

Zalce produced a volume of lithographs, *Prints of Yucatán*, in addition to innumerable murals all over Mexico. As part of the touring exhibition of the National Visual Arts Front, in 1955 and 1956 he visited different Eastern European countries, including Czechoslovakia, Poland, Bulgaria, the former Soviet Union and the Democratic Republic of Germany. Two years later he participated in the

Alfredo Zalce, *History of Industry and Commerce*, 2.78 x 36.92 m (acrylic on wall).

First International Biennial in Mexico City. His works are shown in many museums, among them, New York's and Stockholm's Metropolitan Museum of Art and Modern Art Museum, the national museums of Warsaw and Sofia, Mexico City's Modern Art Museum and the Alfredo Zalce Contemporary Art Museum in Morelia. He received innumerable honors and prizes during his fruitful career, which only ended with his death in January 2003. He was the last of the great exponents of the Mexican school of painting and Mexican muralism.

Mexico Becomes a City, 31.5 x 40 cm, 1947 (engraving on paper).

1968, 40 x 29 x 36.5, 1972 (bronze).

Paradise Lost
The Forests of Michoacán

Josefina María Cendejas*

Elsie Montiel

Introduction

For centuries, the forest has been the emblem of Michoacán. In the last two decades, however, the state's greenery has begun to thin out and the devastation shows no signs of stopping. This article is the result of the first stages of research into the origins of this chaos in the forest, research that reflects on the matter from a different reference point: the perceptions of the forest communities that are experiencing the problem and that can be the guide to dealing with it.

What gives this project meaning is concern about the growing loss of cultural diversity seemingly implicit in globalization. Its starting point is the conviction that cultural diversity has made it possible for first peoples to survive for millennia in very changing and adverse conditions. The loss of this diversity, therefore, endangers both human communities and the other species that coexist in the same territory with them.

Paradise Lost?

For years, to speak of Michoacán was to speak of a kind of forest paradise, surpassed in forest acreage only by Durango and Chihuahua. Michoacán is also the nation's fifth most bio-diverse state, following Veracruz, Oaxaca, Tabasco and Chiapas. Its millennia-long geological history produced different kinds of soil that sustains a broad variety of plant and animal communities.[1] Michoacán boasts 14 types of vegetation with more than 5,000 species of plants; 143 species of mammals; 492 species of birds; 175 species of reptiles; and 100 species of fish. This enormous variety corresponds to the variations in its topography which creates different ecological systems with climates from temperate to warm, from sub-humid to semi-dry.

For an idea of the importance of the forests in the state, suffice it to say that they cover 70.27 percent of the state's six

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million hectares.[2] However, 1,355,878 hectares of that area have been reported as disturbed: they have been turned into grazing or cultivated land and fruit orchards. This means that, for different reasons, despite its great biodiversity and potential, the state is suffering from a huge loss of plant cover.

According to the State Environment and Natural Resources Program, the rate of deforestation is from 40,000 to 100,000 hectares a year (15,000 hectares of forest and 25,000 hectares of jungles). In the last 15 years, 650,000 hectares of forests have been lost and 500,000 hectares have been eroded. In addition, in the forests that survive, the surface area and quality of tree cover has been disturbed. As a result, Michoacán is the fifth state nationwide in disturbed forest area.[3]

The enormous regional and national demand for lumber, together with the well-documented voracity of the logging industry, which has the technology and capacity to devour entire forests in record time, are the two jaws of the vise that are strangling the forests and its communities.[4] The economic reasons behind this are the same ones that are always brought up when talking about excessive logging: the state's forestry production creates between 25,000 and 30,000 direct and indirect jobs a year with an economic spill-over of about 600 million pesos.[5]

But the boom in the sector is not so spontaneous: successive deregulation and the lack of efficient mechanisms for surveillance and control have made it increasingly attractive for the logging companies. It is not by chance that the logging industry has tripled its activities from 1992 until today.[6] It is

TABLE 1

GOVERNMENT DIAGNOSTIC ANALYSIS[12]	COMMUNITY DIAGNOSTIC ANALYSIS (Workshop Findings)[13]
• The use of ecologically inappropriate techniques and technologies	• Instead of being beneficial, the use of technologies and the construction of a highway have caused destruction.
• Lack of cultural level and forestry training	• There used to be more knowledge about the forest, its plants and animals, which has been lost.
• Illegal or clandestine practices	• Illegal loggers are not from the community; these are people from outside who come in trucks and are armed.
• Over-exploitation of forest resources	• The community has never over-exploited forest resources since it does not have the means to do so.
• Pests and blight	• Previously, pests were monitored and controlled; the forest was cared for. Now this is no longer possible because it is dangerous to go into the mountains.
• Fires	• Community brigades used to be formed to fight forest fires. This is no longer the case.
• Over-grazing • Change in the use of forest land to animal husbandry and agriculture	• Cattle are a problem because they eat seedlings.
• Soil erosion	• People do not cut down trees to plant more crops. On the contrary, people no longer cultivate the land. Much of the land is fallow.
• Inconsistency in legislation and forest norms	• The new powers given the municipal government in forest matters has disconcerted the community regarding budget management.
• Unorganized producers • Disorderly growth of the forestry industry • Speedy population growth	• The sense of cooperation has been lost and people no longer organize as they did before. They feel they can do nothing. • More and more people come from outside to take away what is ours.
• Unemployment and de-capitalization of collective farms (*ejidos*) and communities • Insufficient income of inhabitants leading to over-exploitation of forest, soil and lake resources • Commercial demand for resources, leading to local inhabitants' shirking ecological responsibility	• There are very few of us left; young people move north and no one is left to work the land or reforest. • Working in the countryside no longer makes you a living; it just brings poverty. • We are only responsible up to a point, since who is going to come help us deal with armed violence?

Table 2

International Notions of Sustainable Development And Sustainable Forest Management[14]	Community Perceptions (Workshop Findings Based on Analysis Of the Indigenous Profile)
• Create a just balance between the economic, social and environmental needs of present and future generations. • Program 21 recommends ways of strengthening the role of the main groups involved in sustainable development (women, unions, farmers, children and young people, indigenous peoples, the scientific community, local officials, merchants, industry and nongovernmental organizations). • The elimination of poverty and the reduction of differences in living standards worldwide are indispensable for sustainable development; women's full participation is necessary for achieving sustainable development. • The world's forests are critically important from the economic, social, cultural and environmental point of view because of the goods and services they contribute. • The mandate of the Intergovernmental Group on Forests includes issues such as the need to formulate national forestry programs, the productive function of forests, trade in forest products and the environment, the conservation of biological diversity, the importance of forests in moderating world climate change and respect for the rights of indigenous peoples and forest inhabitants. It also includes matters of technical and financial cooperation among countries. • We should emphasize countries' sovereign right to use their own natural resources according to their development needs; the importance of community participation in forest management.	• The forest is dying because the community is also dying. People are leaving and we are falling apart. • It is almost exclusively women who go up into the hills to plant. Old people do not have the strength; young people prefer to leave. If we do not get help, we women will not be able to go on alone. • What we produce here is no longer worth anything. We no longer make wooden crafts (masks) because they don't let us cut off the pieces of wood and they don't pay us for our work. To survive, we go to the market where we trade in kind like people did years ago, because we no longer earn money to buy things. • We have planted trees for seven years because we know that the forest is very important, not only for us but for everyone. But, what good is it if others cut them down? • The programs are good: we have learned to do things thanks to them. But some of them haven't worked because they brought in plants that weren't from here. The army comes in to reforest, but they don't plant; they pull down the trees. The climate has changed a lot. Before it was cooler and there was less wind. Before there was more water. Now things are different because there are fewer trees. There were also coyotes, armadillos and deer and now there aren't. We have to organize better to demand that officials ask our opinion about the programs and that the government support us so that we be the ones to care for and use our forest. That is not how things are now: we have no rights over it; they've taken it away from us; they've banned us from it. • In the past, we lived in the forest. We went into it all the time. We picked edible mushrooms and medicinal plants. We had harvest festivals there and even weddings. The forest was part of our community's life, but it no longer is. Since we abandoned it, the forest is suffering and so are we.

also commonplace to say that forest depredation is caused by local inhabitants who, given their poverty and the lack of other sources of income, "are forced" to over-exploit the forest and its natural resources. However, studies on this issue show that "the most important factor in speeding up the stripping of the forests is to be found among the big logging interests, which correlates with the imperatives of developmentalist policies. The need to capitalize the sector in the shortest possible time has led to the over-exploitation of the forest, as though it were an unending source of wealth, and to the detriment of its true owners, the indigenous peoples."[7]

Recovering the point of view of those most affected instead of trying to impose external diagnostic analyses that consider them directly responsible for the damage to their forests was one of the objectives of the first of the four community workshops included in this research project.[8]

The Community Workshop In Nocutzepo

Nocutzepo is located about 20 kilometers from the city of Pátzcuaro. Like other communities in the basin, Nocutzepo has a sizeable, communally-owned forest area. The pilot workshop in this community aimed to evaluate just how much national and local governments' indiscriminate adoption of the international discourse about sustainable development had contributed to reduc-

ing the diversity of native focuses on the environment and see if that loss in cultural diversity is linked to the loss of these resources.[9] The question is whether we can say, starting from the local viewpoint —specifically about the forest and deforestation— that it is precisely cultural diversity that allows communities to develop alternative paths to ecological and human sustainability, regardless of —or even in frank opposition to— official discourses and programs.

The group was made up of 20 people, mainly women because most men of productive age have emigrated to the United States. In order to get information about changes in community views over time, the group was divided in two: young and older adults in one group and senior citizens in another. Workshop activities took two full days and were based on questions about the meaning of the forest and its resources for the community.

Participants were given a series of definitions of sustainable development found in different international documents. In addition, after a short thematic presentation on the profile of indigenous cultures in Mexico, the groups analyzed distinctive aspects of these cultures to determine which ones continue to exist and which have been lost.[10] They also discussed whether these traits were important for a more sustainable management of the forest.[11]

Initial Results

Given the amount and wealth of data obtained and the time needed to do an exhaustive analysis of it, I will summarize some of the most important findings. To facilitate their comparison with the external paradigms that influence today's forest management in the region, in table 1, I present the group's opinions on one side and the previous state administration's opinion of the causes of the forest-environmental deterioration on the other. This diagnosis was neither presented nor discussed with the group in order to not influence its own diagnosis. In table 2, I also compare another series of the group's comments with the principles of sustainable forest management upheld by several international bodies, in order to evaluate whether they are included in or coincide with the community's perceptions of the situation of the forest.

Initial Conclusions

Clearly, the community's ideas are very different from the official state diagnostic analysis of the problem of the forests, but very similar —in their own words and with their own reference points— to that of the international documents. From the community voices, we can infer first of all a painful fact: the weakened communities still in their original habitat, more than "avoiding their ecological responsibility," feel helpless. They say they have been left on their own to deal with the devastation and violence that, at least in this part of the country, are directly linked to the unrestricted movement of "the free forces of the market economy." In that context, in addition, they are the least benefitted economically speaking. VM

Notes

[1] Secretaría de Desarrollo Urbano y Ecología, Gobierno del Estado de Michoacán, *Programa Estatal de Medio Ambiente y Recursos Naturales, Michoacán en tránsito al desarrollo sustentable* (Morelia, Michoacán: Centro de Investigación y Desarrollo del Estado de Michoacán, 1999), p. 28.

[2] Ibid., p. 27.

[3] María Rosa Nuño Gutiérrez, "La relación naturaleza-cultura en una comunidad purépecha a través de sus expresiones orales," Luisa Paré and Martha Judith Sánchez, comps., *El ropaje de la Tierra. Naturaleza y cultura en cinco zonas rurales* (Mexico City: Plaza y Valdéz, 1996), pp. 50-51.

[4] According to the State Environment and Natural Resources Program, the industry could handle about four million cubic meters of lumber a year, but, in accordance with authorized forest management programs, only an average of 1.5 million are produced. This means there is strong pressure on the forests, since the deficit is covered by illegal logging.

[5] Ibid., p. 41.

[6] Ibid.

[7] María Rosa Nuño Gutiérrez, op. cit., p. 34.

[8] The State Environment and Natural Resources Program states that the commercial demand for resources has led to the inhabitants themselves abandoning ecological responsibility. Op. cit., p. 91.

[9] The workshop, titled "Intercultural and Sustainable Development vis-à-vis the Forest and Deforestation," was held February 26 and 27, 2004.

[10] This was done by applying a matrix based on Guillermo Bonfil Batalla's characterization in *México profundo, una civilización negada* (Mexico City: Grijalbo, 1987).

[11] Participants analyzed the successful experience of the San Juan Nuevo indigenous community, which has become a model for sustainable forest management the world over.

[12] Secretaría de Desarrollo Urbano y Ecología, Gobierno del Estado de Michoacán, op. cit., pp. 50-51 and 90-91.

[13] This is a very brief summary of workshop participants' contributions. The complete report can be examined on audio tapes and flip charts.

[14] Taken directly from the U.N. *Resumen de la Agenda XXI* and the document "Principios relativos a los bosques," www.onu.org.

A TRIBUTE TO JUAN GARCÍA PONCE

In this issue we pay homage to Juan García Ponce, one of Mexico's most renowned and emblematic —but also polemical— twentieth-century men of letters. More than a writer, he is a painter of erotic novels and short stories, understanding Eros as the relationship between bodies and spirits in their multiple possible combinations of threesomes, foursomes, sixsomes....García Ponce's literature cannot be circumscribed; it is a narrative of the emotions whose intent is to make the reader feel more than think.

We have invited five authors to contribute to this homage, well-known writers or critics who were also close to García Ponce at some time in his life. Hernán Lara Zavala, Graciela Martínez-Zalce, Adolfo Castañón, Juan Bruce-Novoa and Huberto Batis each give us their own perceptions of García Ponce's enormous transcendence.

Three Images of Juan García Ponce

Hernán Lara Zavala*

Juan García Ponce was never an author of popular fiction. Rather, he liked being a secret, cult writer, subversive and provocative. His themes, always obsessive and reiterative, revolve around love. But more than concerning itself with a psychological or emotional description of love, most of his work concentrates on the physical, the carnal and the erotic, and it frequently culminates in the "perverse," that adjective that is so difficult to define because, in the long run, who does not end up perverse? Nevertheless, in all of Juan García Ponce's narrative, a nexus can be perceived between the erotic and the other, rather undefinable religious element that borders on the sacred. "To teach is to pervert," he wrote in *El libro* (The Book), one of his short novels. And it is true: literature is a way of twisting the world to reveal its dark, unknown aspects.

Now, in homage, three stories from his early period come to mind that deal with the recreation of love and discovery in the world of children and young people. The first of them, "Feria al anochecer" (Fair at Dusk), is a story with a classic theme which, in many ways, has been dealt with by many authors in discovering their intimate "selves". It tells the story of the transition from childhood to adolescence, from innocence to experience. Andrés, the protagonist, lives in a provincial town with his grandmother and an aunt. Full of fears and doubts, at the same time he is fascinated by the beauty that the world has begun to unfold before his eyes. A fair near his neighborhood gives him the chance to discover the possibilities of love and of ridding himself of his fears to assume his manhood and his new life as a man.

"La gaviota" (The Seagull) is a more complete work. It is a longer story with more ambitious psychological and symbolic penetration. It takes place in the idyllic setting of a beach during the vacations of a pair of adolescents, Luis and Katina. Both characters, a little older than Andrés in "Fair at Dusk," somehow continue in the vein that Andrés portrayed in the first story. Now Luis —or "Dwig," as Katina calls him— is faced with a clear, identified object of his love. Both Luis and Katina are pure, avid, but inexperienced in the conflicts of love and passion. The story centers on discovering how the different activities of this pair of adolescents over a few days of sun and sea will bring them face to face with a series of attractions and contradictions, which are nothing less than the mysteries of love and desire. In that sense, the presence of the seagull is very significant because it makes the story jump from a merely realist level to a symbolic one. And it is important the young readers peruse this story with special care to relate what happens between Katina and Luis to the constant presence of the seagull.

"Después de la cita" (After the Appointment), the third story, is about imminence and the real theme is purposely hidden to concentrate on the sensations and feelings of the characters. It is a story in which nothing extraordinary seems to happen, or, rather, in which everything happens without reality changing much. Without saying so, "After the Appointment" evokes a young girl's mood after a disappointment. The title is the key, and the reader's imagination will determine what happened at that appointment.

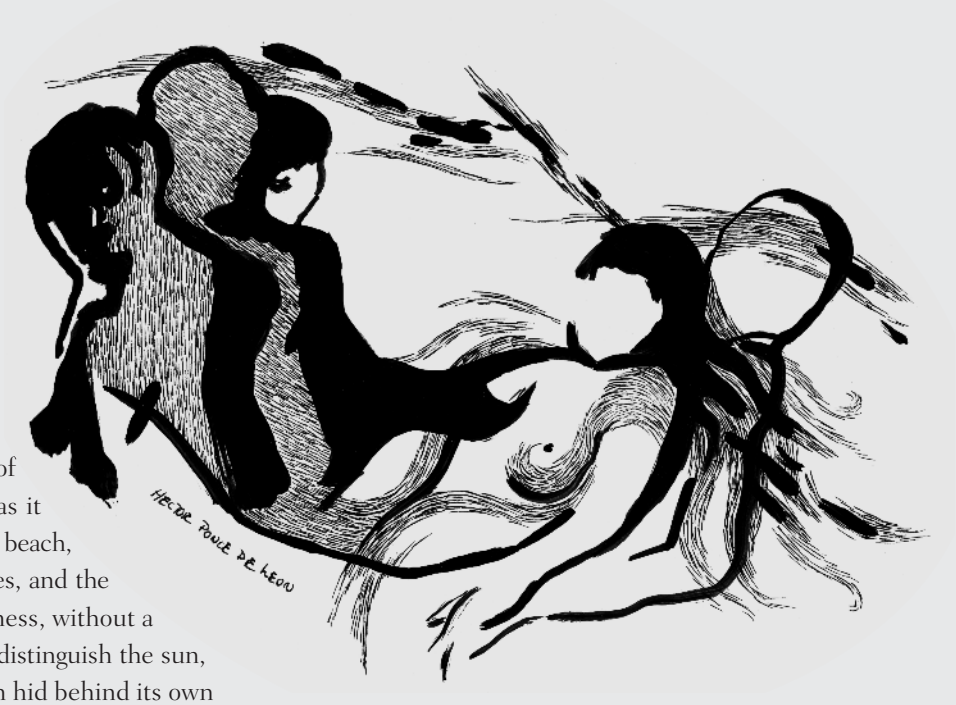
These, then, are three images of what goes on in young people's hearts when they start off down the dark labyrinths of love. The first is a prelude; the second a realization; and the third deals with the first disappointments. Three stories that open the door for young people to a world they will not be able to do without. VM

* Writer and current Director of the UNAM Publications Office.

The Seagull

(Fragment*)

By Juan García Ponce



There were still about three weeks left in the traditional two-month summer vacation. The sea was so peaceful and transparent that it only seemed to exist so that the light would play on the white background of the sand, setting it in motion as it obeyed, in its journey toward the beach, the delicate rhythm of the waves, and the sky was a mere dazzling emptiness, without a shadow, in which you couldn't distinguish the sun, in such a way that even the sun hid behind its own light. In the meantime, after that single kiss, the union between Luis and Katina seemed to have entered, without their will either interfering or being able to change it, another dimension. They were closer to each other, but now in a secret way, which made Luis feel that she was more distant than ever as he turned Katina into something impenetrable, which nevertheless seemed to be over and over again at the limit that would bring her to open herself forever, but without him knowing how to trespass that limit, at the same time that the fury that assailed him all of a sudden came between him and his own desires. Katina pretended that everything was still the same and Luis, at times, tired, did too; but nothing was true. And now, besides, when the presence of the others seemed more intrusive than ever, as they made his own need for Katina's proximity, for the contact with Katina's skin and lips, for Katina's surrender, appear like an attribute of theirs or which, at least, he had ascribed to them, with no interest in finding out which of the two was true, proved more intolerable than ever and made him divide himself between an inevitable loyalty to the memory of so many past summers that forced him to consider them his friends, a part and a reality of his own world, and the irrepressible desire that they all would disappear, leaving him with Katina, free in that pure center without space that together they had created. VM

Translated by Margarita Vargas
And David E. Johnson
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* Taken from Juan García Ponce, "La Gaviota", *Encuentros,* Letras Mexicanas Collection 104 (Mexico City: Fondo de Cultura Económica, 1972), pp. 83-84.

Fair at Dusk

(Fragment*)

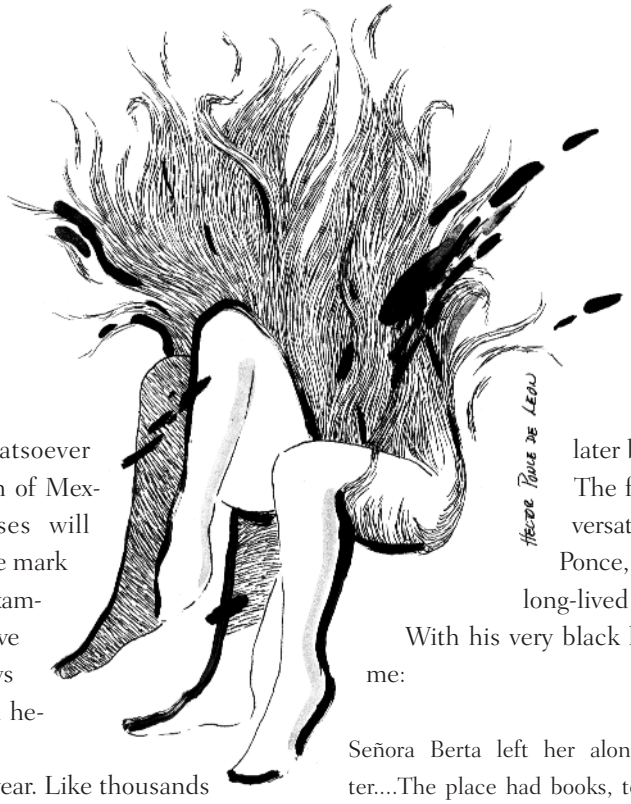
By Juan García Ponce

Once the first feeling of fear that the unexpectedness of it caused went away, when from down below they shouted up at them not to be afraid, that the problem would be fixed in a few minutes, and they had a chance to show their bravery again calming her down, promising her, even, that they wouldn't swing the car at all, they spent their time quietly enjoying the whole thing, pointing out to each other the different characteristics of all the places, the church, the trees, the rooftops and, above all, the indescribable, formidable and continuous rumor of life, of indeterminate movement, of irrepressible joy, of unconscious and total abandon that the view of the whole fair produced and that from there could be contemplated as though they were in a unique, privileged theater box, feeling simultaneously part of the audience and part of the marvelous, irreplaceable spectacle that people make when they try to squeeze the most out of any single moment of life, as though the idea were to satisfy an unrecognizable, infinite, imperishable hunger that would push them, blindly, toward any place that offered the possibility of finding the indispensable food; suddenly, though nothing fundamental had changed at least seemingly, without being able to explain himself clearly and much less exactly why he felt happy and tranquil, he foresaw, he perceived, he intuited, he felt more than understood, that sitting there with her at his side, he was also part of that order —because it was an order, a formidable, eternal order— and as such he had nothing to fear, nor anyone to fight, and he knew —and this was actually the only thing he could know and understand— that he would not be afraid again. And then, as though a struggle suddenly ceased, he relaxed, he felt a sensation of peace and rest and, without being able to explain why, he began to look at the view peacefully, trying, without much effort, to pick out the trees of his house among all the trees, until the engine started working again and, slowly, the car descended, taking him closer to the earth, the music, the noise, the people, the pain and the joy. VM

* Juan García Ponce, "Feria al anochecer," *Imagen primera,* Fiction Collection (Veracruz: Universidad Veracruzana, 1963), pp. 23-24.

A Truly Posthumous Homage

Graciela Martínez-Zalce*



I have no doubt whatsoever that the construction of Mexico City's overpasses will leave a uselessly indelible mark on our memories. I, for example, as a consequence, have become addicted to news programs with their own helicopter.

It was the end of the year. Like thousands of other vacationers, I was driving home, patient and bored, when the substitute announcer's voice informed me of the death of Juan García Ponce. Involuntarily, I thought, with nostalgic humor, learned from my teacher, "This is as far as Columbus got; this is as far as his caravels got."

The first time I had a conversation with Juan García Ponce was in his house in Coyoacán. By then, I was a kind of groupie of his: I went to all the lectures he gave; I had read all his many books, sought out faithfully in libraries, book stores —of both the new and used variety; and, with a Salvador Novo Grant, at the Mexican Writers Center, I was writing my essay *Pornografía del alma* (Pornography of the Soul) (about *De ánima*), which would later become my first book. The first time I had a conversation with Juan García Ponce, then, I was turning a long-lived dream into reality.

With his very black humor, he dictated to me:

Señora Berta left her alone with Doctor Ballester....The place had books, too, the desk where the doctor was seated when she and Berta came in, and another high table with a typewriter and different office materials, with a chair that looked like it went with the desk and another one across from it.

"Shall we sit down, Inmaculada?" asked the doctor.

Inmaculada walked in front of him and sat down in one of the armchairs, immediately crossing her legs. She put her bag down next to her, beside her thigh, and put one of her arms on the armchair. Dr. Ballester went to sit on the end of the sofa, very close to Inmaculada. There, he explained to her —as they must have already told her— that the job consisted in his dictating and Inmaculada typing. He added that he would write books, books on psychiatry and that the place they were in was his study. Inmaculada decided that the most appropriate thing would be to look around her and then out the window. Dr. Ballester just looked at

* Literary critic, essayist and researcher at CISAN.

her. It was also strange to be with him, but Inmaculada liked it. Working in that study with the figure next to her, going every day to that house and having Señora Berta open the door for her. She said that that was what they had told her, what she expected. She also knew how to type very well. If the doctor wanted, they could do a test. He did not seem to be in a hurry. First he told her that his previous assistant had been called Alicia and she had become ill. Arthritis. "You know what that is, don't you? A very distressing disease. Poor Alicia." But for Inmaculada, Alicia's disease and Alicia herself were nothing more than what made it possible for her to be there.

What made it possible for me to be there was, in effect, that Juan García Ponce needed an assistant to finish *Inmaculada o los placeres de la inocencia* (Inmaculada or the Pleasures of Innocence) and to write whatever came up. He explained to me that he worked every day from twelve to two and he was kind enough to change his schedule by half an hour so that it would not conflict with my master's program studies, which, of course, he made gentle fun of.

So, during the writing of *Inmaculada* —and *Apariciones* (Apparitions) and *Lectura pseudognóstica de Balthus* (The Pseudognostic Reading of Balthus), in a beautiful edition by Equilibrista publishers, complete with dedication, that was ruthlessly stolen from me— every morning Señora Eugenia opened the door for me. I said hello to Angelina, overcame my allergy to cats, and, like Columbus, I plunged into the sea until the caravels touched port at one-thirty.

Inmaculada, just as Saint Inés del Españoleto says on the cover, is a book of illustrations, illustrations made not with lines and colors, but with words. A mocking intertext of the Marquis de Sade, Inmaculada is a series of innocently pornographic prints. Inmaculada and her daring came from a painting by Balthus, with her cat's eyes, her tongue, bitten by her teeth, as a sign of concentration (a gesture that has been marked with a footnote every time I find myself doing it). We spent hours at a time, Juan with a lectern on his table, looking at late-nineteenth-century engravings and describing them in great detail so I could transcribe them in the beaten-up, portable, water-blue-colored Olivetti.

In those years, in the mid-1980s, the National Fine Arts Institute organized a great homage for García Ponce in the National Museum of Art. "I want you to name your essay 'Notes for a posthumous homage in life,'" he said to me. "That way, we'll take some of the solemnity out of the thing." And he guffawed thinking about the expressions on the faces in the audience when they heard my daring. Despite his observation, however, my essay was very solemn. And now, almost 20 years later, I think that in that maze of intertexts that is the work of García Ponce, we have lost sight of those mocking winks that characterized not only his person but his intellect. Perhaps this is the moment to do him justice and take the solemnity out of our reading of García Ponce, who wrote parodies, illustrated books, infinite intertexts, but always with playfulness, far from the solemnity of academe.

García Ponce gave me many things, as my teacher in much more than academic matters: my readings of Musil, Klossowski, Nabokov, Tanizaki; the discipline that makes the writer; the ability to look at a painting in detail; the smell of the magnolia tree in his patio; Merida; and he also gave me Balthus, Felguérez and Rojo. A beautiful story is that I was able to shock him when I gave him a copy of David Lynch's *Eraserhead*; his only comment was that that was why I was going crazy.

I open *Inmaculada* and on the title page find a note in a crooked hand that is not mine. In blue ballpoint pen, he has written, "For Graciela, accomplice before I knew her and effective secretary without whose help this book would not be in her hands. With deep affection, from Juan." And I still remember what the other one said, in the now gone, slim volume about Balthus, published by the Equilibrista: it said, "For Graciela, with her hand that is my hand..." Accomplices. That is what all readers must be for our favorite authors. Amidst the insanity of December traffic, I think of the complicities García Ponce granted me as a groupie, as a reader, as an essayist, as an amanuensis. "This is as far as Columbus got; this is as far as his caravels got." VM

Inmaculada
Or the Pleasures of Innocence

(Fragment*)

By Juan García Ponce

In the city, Manuel no longer went horseback riding with Inmaculada. She went to school; she had her homework and he had a girlfriend. By contrast, Inmaculada had the right to become the owner of the dollhouse that had belonged before to her different sisters. It was up against one of the walls next to the orchard. She had lots of dolls and now, she also had a house for them. She moved them there from her room, guided not by her brother Manuel or by Rosario, but by another sister, Carmen, who also went to school and increased Inmaculada's doll collection by giving her her own, just as the older sisters had done for her. It was also Carmen who guided Inmaculada to the dollhouse and showed her how to enter, bending over, and helped her arrange the dolls next to her own. Right away, Inmaculada took Joaquina to the house. There, Inmaculada and Joaquina played with the dolls until it was impossible to see in the improvised semi-dark house where no window let the light in. Rocking them to sleep, changing their dresses over and over again, on their knees or sitting on the packed earth floor. Then something happened, just before inviting Joaquina to the hacienda. In the dollhouse, sitting or on their knees on the floor, wearing the same school uniforms, looking at each other with a doll in their arms, they were always so alone, not only in the dollhouse, but also in the middle of the other girls at school, it felt so good to walk hand in hand with Joaquina and go to the house, knowing that she had a friend. Inmaculada was taller than Joaquina who, strong and robust, made Inmaculada look even thinner and more fragile; Joaquina had lighter hair and her skin was fairer; she was always the one who decided what they should do and Inmaculada obeyed. One afternoon, Joaquina proposed a new kind of game.

* Juan García Ponce, *Inmaculada o los placeres de la inocencia* (Mexico City: Fondo de Cultura Económica, 1989), pp.19-23.

She had undressed one of the dolls and showed it to Inmaculada. The little naked body without any hair, like their own bodies but, in contrast with them, without an opening in the front, enclosed completely inside her imitation skin, although neither Inmaculada nor Joaquina were as rosy as she.

"What if I got undressed, too?" asked Joaquina. Inmaculada didn't understand what her friend wanted. Joaquina had to repeat herself.

"Don't you want to see me naked, too?"

"Naked, you? What for?" answered Inmaculada.

"To look like the doll, to be another doll," murmured Joaquina.

And, without waiting for an answer from Inmaculada, who stared ahead without knowing what to expect or feeling she could oppose anything, Joaquina had already lowered the straps of her uniform and began unbuttoning her blouse. Her slip was just like the kind Inmaculada wore. Doing nothing, she watched Joaquina undress completely. Inmaculada looked at her. In contrast with the dolls, just like her, she had an opening between her legs, but it showed less than Inmaculada's. Joaquina lay down on the floor.

"Rub the doll's hand over my body," she ordered Inmaculada.

Surprised and also fascinated, without taking her eyes off her friend's body for a moment, Inmaculada, never doubting that she should and wanted to obey, that she liked having to obey, without looking at the line of dolls, took one and holding it in her hands, stopped for a moment, indecisive, looking at Joaquina's body.

"Where?" she asked finally.

Joaquina had closed her eyes.

"Wherever you want, on my whole body."

The doll Inmaculada had in her hands was dressed. She took off the little suit and then put it next to Joaquina.

"What are you waiting for? Don't you want to do it? Rub the doll's hand very slowly, wherever you want," begged Joaquina, without opening her eyes.

Inmaculada took hold of the doll by the torso in one hand and with the other, raised its arm. The stiff little doll's hand stroked Joaquina's shoulder and then went down to her body. It didn't stop at her breasts, still flat despite the protruding nipples. It rotated several times around her navel.

"Like that, very slowly," said Joaquina in a small voice, breathing deeply.

Inmaculada felt transported by the force that made her obey; it was nothing more than obedience; she wasn't excited, but as though suspended by something, empty of herself. Very slowly, very slowly, despite her immobility, feeling it alive as though it were an extension of her own, she continued to lower the doll's hand on one of Joaquina's thighs. She had begun to move her body.

"Put it in there, put it in me there, her hand, the doll's hand first," she finally begged Inmaculada.

Inmaculada had stopped the doll's hand on Joaquina's thigh. She looked at the opening that she also had and the doll didn't.

"Where?" she asked.

"There, in between my legs, inside," said Joaquina, opening her eyes and looking at Inmaculada, who, doll in hand, was next to her on her knees.

"No," answered Inmaculada, frightened.

"Yes, please, be good, just a little bit. I need to know what it feels like. Do it," begged Joaquina —though her raspy breathing didn't let her say it very clearly— looking at Inmaculada, with her eyes wide open, staring at her, with her legs spread, one arm caressing her body and the other flung out with the fingers bent just like the doll's hand.

Kneeling next to her, Inmaculada was then obedience and strength. Her strength was in the fact of being able to obey. It was impossible to know anything about this; but there she was, doll in hand, Joaquina naked on the floor, raising and lowering her pubis as though she were inciting her and begging with her movements to do what she asked. She had shut her eyes again. To obey, Inmaculada had to overcome her fear and follow her curiosity. She looked at her another moment, with the fine line of her almond-shaped black eyes and the gesture of disdain and contempt that even then her lips could form without her will intervening at all, but that on this occasion was directed not at Joaquina or herself, but was rather a result of the surprise at what she was feeling, at what Joaquina's white, robust

body and the sharp awareness of having the doll in her hands made her feel: an extreme coldness that is all ardor; the superiority of her distance and the weakness of her nearness; curiosity and rejection: all of which she had already felt when she heard noises at a door when she didn't want anyone to see her and which, since then, in the dollhouse, would be the signs that she would feel in herself and that she could see in Joaquina; it was love for what she did not hesitate to recognize as the forbidden and that she wanted to give in to, as though instead of seeing it she could be the protagonist of what she had heard even though it didn't look like it at all and was just like it. It was all there, even if she didn't think, there on her knees with a doll in her hand and Joaquina in front of her, naked with the doll, begging her, ordering her and at her service, with the signs of life that the dolls would never have, who asked that she connect the immobility of the doll's hard, small hand with Joaquina's movements. Inmaculada, because of the way she would react and feel in her when she did it, brought the doll's hand close to where Joaquina waited for it and had asked that she put it. There was little resistance. Joaquina was only waiting for the contact; the very red lips between her legs were visible. Inmaculada knew for the first time, as though she were purely an instrument, the feeling of giving pleasure; and the pain in others, taking into account the feeling that she experienced only as pleasure, joined with the others' pleasure and increase her feeling. But even though her hand was the doll's hand and she had the lips open and her eyes fixed on the hand that was lost inside Joaquina, she could not recognize her pleasure by just seeing Joaquina's. The doll's entire arm had entered Joaquina who moved her body downward and her head from one side to the other as she moaned and sighed. Inmaculada began to move the arm inside Joaquina. With a catch in her voice, she kept on asking for more, "More, more, more," and Inmaculada obeyed.

"Now you do it yourself, with your hand," murmured Joaquina later.

It was impossible to say no; it had always been the doll's hand and arm and, even without knowing it, she just wanted to be asked to touch the inside. She took out the doll very slowly and brought first one of her fingers and then another and then a third close, while the palm of her hand also moved against Joaquina.

"Touch my body with the other hand," asked Joaquina, looking from Inmaculada's face to the hand inside her.

Inmaculada obeyed. Joaquina's soft, white body and her dry, darker hand running over that body. They stayed that way for an indefinite time, seeking, without meaning to, a peak they didn't know they could reach, and, however, for both of them, it was limitlessly intense. The dollhouse was now something else. Inmaculada finally took her hand out of Joaquina's sex. In a tone of voice completely devoid of the anxiety it had betrayed before and in exactly the same way that she would take her hand a long time before when they left school, she asked Inmaculada to lie down on top of her. Inmaculada obeyed immediately. Even though she was dressed in the uniform Joaquina had taken off, she needed to feel her under her body. She stayed on top of her and neither of them moved at all. Then Joaquina put her arms around Inmaculada's waist. Inmaculada's face was pressed against Joaquina's and both of them had their eyes shut when they heard Rosario calling them. They separated immediately. Inmaculada got up. Her head reached the ceiling of the dollhouse. Joaquina dressed rapidly and the doll was left naked. Inmaculada watched her do it. She had been on top of that body that she was now discovering as a body and that she wanted so much. She was neither afraid nor ashamed. In her dollhouse, Joaquina was her guest and she protected her. The two were participants in new knowledge and without having to say so, they knew that everything would be much more interesting and they would repeat what they had done. They left a little later, Joaquina first and Inmaculada following her. Rosario put her arm around both of them, drawing them to each side of her body. They were two little girls who played in the dollhouse that her father had built for her. Inmaculada had longer legs and knobbier knees; both of them were dirty.

"It's almost dark. They must be waiting for you at home," said Rosario to Joaquina. VM

Life's Impossible Death

Bruce-Novoa*

"Always the same route:
it's about knowing
that 'the impossible is'." [1]
La errancia sin fin
JUAN GARCÍA PONCE

"The impossibility of dying," Juan García Ponce wrote in an eponymous essay, "is an attribute of life. He who dies ceases to be alive; so, since we are alive we cannot die. While in the place of life, death's territory is forbidden us." Situating death across a non-negotiable chasm, far from denying it reality, affirms its persistent, even necessary, presence as life's other: "Death is an inaccessible state for our condition as men. It is its radical otherness." To literature he attributed similar otherness, residing as it does in the imaginary —words representing the absence of the objects they name— and he turned his own into an effort to comprehend, feel and perceive the entire continuum of existence. García Ponce positioned himself in a territory he called radical literature in which death continually appeared to reveal its role as absolute other, and more than any writer of our time explored the experience-enhancing possibilities death offered life.

In his earliest works, however, death erupted as a numbing trauma not only for individual victims, but also for others near them. "Amalia" (1963) and *Figura de paja* (Straw Figure) (1964) ended in suicide that cut off promising love affairs and left the survivors alone and unsettled, or worse, doomed to mediocre normality. In its traditional role, death, like a monarch in a classical play, appeared to reinstate the rule of social order by punishing those who dared alternative behavior.

When the family patriarch unexpectedly dies in his second novel, *La casa en la playa* (The House at the Beach) (1966), the response, however, differs. Elena, a young career woman, must decide if she will accept her summer lover's offer to marry her. Precarious mortality stirs in the lover a need to reaffirm familial propriety by legitimizing their passionate affair. Elena rejects the offer, refusing to trade the freedom and intensity of asocial love for domestic security. Consonant with the 1960s counter-culture sexual revolution, García Ponce struck bourgeois society at the heart of its repressive order by rejecting death's symbolic function. Like his protagonist, he, too, left it behind with social realists by taking his work to a rarefied place where alternative lifestyles could be pursued. Literature need not respect repression. By exploiting the virtues of imaginary space where even the impossible is possible, he could confront death in less traditionally restricted terms.

In the late 1960s he armed a multi-volume attack on another pillar of social convention: individual identity. His narratives featured characters in relationships whose fulfillment depended on third, non-human subjects —dogs, a cat, a plaza, a forest, a seagull, a book or a mountain cabin. Their emotions and sensations triangulated in space through non-human agents; the protagonist's identity freed itself from the one-to-one, person

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/body relationship, the senses swelling beyond the usual human physical and psychological limits. Thus, with identity detached from a particular body, the significance of corporeal death must necessarily undergo redefinition.

La cabaña (The Cabin) (1969) brought the series into dialogue with death, opening with Claudia reading a postcard her husband mailed shortly before his accidental demise. The novel recalls the story of her youthful search for love. Her first husband and a series of lovers always alienated her from her body and the world, leaving her searching for herself in memories of the sensations felt during sex. Her second husband alters all this, making her feel one within a harmony of being in the world. With his loss, the emptiness of absence threatens to impose its familiar order: time, distance, individuality. At this point, García Ponce goes beyond rejecting death's traditional function by leading Claudia on a desperate, dangerous venture to retrieve the sensation of unity with her husband. She returns to a cabin where they experienced their most intimate encounters. But instead of turning it into a tomb and monument to the past, Claudia feels physically and mentally driven to live in the present, in the material world outside of memory. Yet, since death is bodiless, Claudia must liberate herself from her body while simultaneously offering its space for the apparition of her husband's presence. The search leads her to a forest clearing where she displays herself to two woodsmen —described like animated trees— and in the sexual exhilaration of anticipation, even fear, she retrieves the sensation of unity and wholeness her husband had given her. The intensity of transport, in which she exceeds her limits and starts to fuse with the world, *is* her husband. Their union is facilitated by Claudia's willingness to relinquish her individuality —her subjectivity— in order to open her body to another's materialization as it flows in the world. The sacrifice of the subject's integrity does not erase the life-death opposition; rather, it exploits it.

García Ponce positioned himself in a territory he called radical literature in which death continually appeared to reveal its role as absolute other.

Around this time García Ponce published "El arte y lo sagrado" (Art and the Sacred), a key essay in his vast opus in that it defined his understanding of literature as the sacrifice of the world to transform it into an alternate order of existence and hold it outside time's movement. This deathlike state differs from death itself in that it remains permanently present and available to the living, yet exhibited as life's opposite. This affirmation of life in death —a definition of eroticism we might note— García Ponce called the sacred. The heart of the essay is a dense paragraph in which he considers concepts of the sacred and art held by Rilke, Hölderlin, Heidegger, Blanchot and Bataille, weaving them into an intricate network of fluid references and mutual dependencies from which García Ponce's position surfaces, in which his voice, while relinquishing authority to those multiple others, bespeaks itself as silence through which the Other speaks.

> For Maurice Blanchot, Hölderlin's word is the reality of the sacred in his work. But also we just saw how Bataille assumes that the sacred is not the death ritual within the sacrifice, rather the element that arises from the ritual. For Heidegger, however, the work is the mediation through which the sacred can be reached....What remains now is to see the relationship between the work, between art, and sacrifice implied by the death of its object. In this regard we would have to return to Blanchot. Whatever artist concerned, be it the poet in relation to the word or the painter in his treatment of images, he strips both the world and all beings of their

> appearance, of their particularity, to turn them into words or into images. Yet for this, as Bataille has seen at a point where we must distance ourselves from Blanchot, it is indispensable for this particularity to exist, that it be a reality; but having accepted this —the equivalent to accepting the world, its apparent reality— what the artist actually does is sacrifice the world. Through his act, reality dies to transform itself into a new life. Reality is devoured by the work, by the image, so these can show it to us as another life. But it is a dead life that precisely has been excised from time, stripped of its continuity, leaving it forever held simultaneously outside and inside of life. In this is found the secret and power of permanence of the work of art.[2]

This minimal tour de force anticipated his Anagrama Prize-winning book *La errancia sin fin* (The Unending Errantry) (1981), a lengthy treatment of Musil, Borges and Klossowski that fuses them and the author in its textual flow. García Ponce's essays, in short, staged the same sacrificial ritual, allowing his body —his voice, writing, work, name, identity— to incorporate the spirit of other authors. And his narratives followed suit. Like Claudia freeing her body into a multi-spirited space —or the wonderfully daring, promiscuous protagonists of his last novels— García Ponce opened his body of work into a territory where the individual voice delivered itself to a free flow of sensations and thoughts disseminating into a process of polymorphous life in continuous movement.

One would like to say that death makes no sense when recast in these terms, and yet it does. Its own sense, or non-sense. Which is the point. García Ponce came to treat mortality as more and less than simple disappearance. It is the space itself of art. To create, to live what he called radical literature was to reside in that life-death chasm where, with normality suspended, the impossible is possible. Perhaps we could attribute his willingness to dispense with the formalities of identity to García Ponce's protracted illness diagnosed in the mid-1960s —the first of his generation to begin to die. Of Nietzsche he once wrote, "No one can experience more directly life's inherent discontinuity like someone in whom illness has devastated the sense of unity his body could give him."[3] But this does not adequately explain his unwavering determination to keep his work in that liminal state and to render the experience an affirmation of the need —the absolute destiny he called it— for art. Now there he remains, his phase in the process complete though not ended. The rest depends on those capable of continuing the project. As he often reminded us, art can await those capable of appreciating it. They will arrive to renew the ritual. Art retrieves what time inevitably steals, a possibility of reemergence that returns life to life as death's sacred impossibility, *la aparición de lo invisible* (the apparition of the invisible)… a radical literature few understand … so there it waits for those who can. VM

He opened his body of work into a territory where the individual voice delivered itself to a free flow of sensations and thoughts.

NOTES

[1] All translations of Juan García Ponce's fragments from the Spanish by Bruce-Novoa. [Editor's Note.]

[2] Juan García Ponce, *Apariciones. Antología de ensayos* (Mexico City: Fondo de Cultura Económica, 1987), p. 376.

[3] Juan García Ponce, "Sobre el pensamiento en Pierre Klossowski," *Apariciones,* op.cit., p. 63.

The Impossibility of Dying

(Fragment*)

By Juan García Ponce

I would like to begin by trying to evoke some works, by remembering accounts, by telling stories, in order to make appear the space of the extreme gravity of death in the space of the irresponsible gratuitousness of literature.

The impossibility of dying is an attribute of life. The one who dies stops being alive, and therefore we who are alive cannot die. While we are in the place of life the terrain of death is forbidden to us. No one is less alive than a dead person and no one is less dead than a living person, even if he is very close to death. It is a truth that is found within the necessary confines of common sense, which we must always frequent and to which we must return once and again. Every living person will protest before the one who accuses him of being dead; but also, because we are human beings, because we possess reason, every living person will smile contemptuously before the pretension of the impossibility of dying. Like every living being, man dies. But, in addition, we humans know that we are going to die, we know that death exists. On the other hand, we do not know what death is and therefore it is impossible for us to die, it is impossible for us to enter —from the land of reason, from the field of knowledge, from the capacity to think, which defines us as humans— the space of death.

Death is an inaccessible state for our condition as humans. It is radical other-

[1] Taken from Juan García Ponce, "La imposibilidad de morir," *Las huellas de la voz*, vol. 4, Fijaciones (Mexico City: Joaquín Mortiz, 1982), pp. 173-175.

ness. We cannot touch it even though we know of its existence. The impossibility of dying is nothing more than that: the knowledge that we die but we do not know what it means to die, that we are for death but we do not know what for; death is forbidden to us and it is inaccessible. We cease being personal pronouns —I, you, he, we, you plural, they— in the instant in which that otherness comes and does away with the validity of all personal pronouns. Let's enter then, let's try to situate ourselves in that terrain of the unthinkable in order that thought might enter the impossibility of dying and make of that impossibility something that is also ours.

But let's proceed cautiously. I cannot enter that space because I am alive. I cannot think the unthinkable because the characteristic of thought is that it belongs to the terrain of life in which my I is affirmed; but there is another space, perhaps, to which my I has access and which is not situated in any precise location, as neither is death for my I. That space is the space of words, the space in which literature lives. Thus I said that in order to make the extreme gravity of death appear, before anything else, I want to evoke that which occurs inside irresponsibility and total gratuitousness, that which has no commitments to anyone nor anything else but itself, and which, like death, affirms itself as radical otherness: literature taken in its extreme definition.

[. . .]

Bataille makes us see the impossible and constructs his literature on the impossibility of literature, because if literature rests on the reality of words and the reality of words is found only in that neutrality that makes them similar to the reality without reality of death, words cannot express the supreme anxiety of life that finds itself in the knowledge of death. From Bataille's point of view, literature must destroy literature itself, before anything else. Only in the space of destruction, beyond every beautiful form, only in the contempt of form, which leaves us naked and unarmed before anxiety, can the truth of literature be found when literature turns and looks toward the space of life. Therefore, in order to continue having the right to its existence, literature must constitute itself as the supreme self-deconstitution; it can only arm itself as the definitive breaking of every order of life that implies the knowledge that death exists and insofar as I die I exist, as a well known verse from our tradition tells us.

[. . .]

We do not have to work very hard to realize, then, that in the final analysis we find ourselves before a writer, that the narrator is a writer because the writer is someone who does not exist, who has no reality but that which is at the heart of that force that strips him of all reality; that is, writing. Writing, in order to show itself, nevertheless needs to locate itself, to enter, to move, in the terrain of contingent reality, and should appropriate the movements of that reality in order to make itself communicable; but the iniquity, the corrosive character of writing, is found in the fact that it penetrates into that field, appropriates the movements of that reality, in order to convert them into the absence of reality through its own action. VM

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On Literary Heroism Or Art as Ceremony

Adolfo Castañón*

In 2002 and 2003, my visits to Juan García Ponce became much more frequent because his work was to be published by the Fondo de Cultura Económica. For him, the announcement that the publishing house was going to take on this project was as thrilling —or even more so— as winning the Juan Rulfo Prize for Literature in 2001.[1] Designing the plan for publication took days, weeks, months, and would not have been possible without the help of his collaborator, María Luisa Herrera, his ex-wife, Mercedes Oteyza de Felguérez and his son, Juan García Oteyza.

Juan García Ponce had been ill for years, paralyzed by multiple sclerosis that crept up silently like an invisible line that petrified him a few millimeters more every year. He received me in his austere home, accompanied by María Luisa, his helper, secretary and translator, a young woman of about 30 who had an attentive and affectionate relationship with him. When I got to his house and rang the doorbell, the innumerable images I have of Juan García Ponce would go through my mind. First, the memory of his voice on University Radio programs, around the early 1960s, about French and German literature. Then, that same voice hovering like a bird of prey above an issue —let's say Thomas Mann's novel *Dr. Faustus*— in his literature seminars at the National University's School of Philosophy and Letters; then evening conversations in his home where friends like the now deceased poet Roberto Vallarino would show up; and always his relations with the editor and reader I have been: *Inmaculada o los placeres de la inocencia* (Inmaculada or the Pleasures of Innocence), *Pasado presente* (Past Present), *Encuentros* (Encounters), *Figuraciones* (Figurations), *Crónica de la intervención* (Chronicle of the Intervention), to mention only those published by the Fondo de Cultura Económica. Memory is not quite as orderly, and so other images cross over these: Marcelo Uribe and myself interviewing Juan García Ponce; Huberto Batis introducing me to Pierre Klossowski's work; the covers and boxes of different books by Juan García Ponce that I collected on the bookshelves in my library long before I met him; and so on.

Juan always dressed in black: gabardine pants and a black pull-over. He welcomed you, smiling and polite and, without wasting a minute, began working, going to the heart of the matter, reviewing pending matters. In the last period, it was no longer easy to understand him, and you had to be as patient as María Luisa or Mercedes Oteyza or myself to understand what he said.

An ascetic writer, inconceivably disciplined, the possessor of a more than iron will, a writer practically genetically programmed who lived by and for literature and understood himself as a pure writer, Juan García Ponce knew how to give himself over to the invention of a vast verbal continent and give his life shape; he knew how to organize his existence around an idea of literature and art. But García Ponce was above all alive, a

* Mexican editor and writer.

caustic and ironic observer who had managed to find in the roots of loneliness the grove of community and solidarity. He had the civic pride of having supported himself as an independent writer, of having paid the nurses who took care of him, of having paid Eugenia, his self-sacrificing housekeeper and two other women, coin for coin, word for word. For Juan García Ponce, Rainer Maria Rilke, Thomas Mann, Robert Musil, Franz Kafka, Maurice Blanchot, Georges Bataille, Henry Miller, Jurichiro Tanizaki, Heimito von Rederes, Hermann Broch, Jorge Cuesta, Xavier Villaurrutia, Jorge Luis Borges, Octavio Paz and a few others were not the haphazard names of unknown authors, but rather a presence whose work and life he knew by heart. They were voices that had left an imprint on his work and mind and whose books and portraits lived in the small house in Coyoacán where, every morning, after some physical exercises he did —not without certain effort— a sick, immobile body was transformed into an eloquent chalice, a presence from which other presences emanated. The Rulfo prize somehow pulled him out of oblivion and abandonment, and confirmed for him that the road he had begun walking more than a half century before in his native, beloved Yucatán had and still has the shared meaning of reading and what is readable.

During those long morning sessions with Juan García Ponce and María Luisa Herrera, I was present several times during the correction of *Inmaculada*. Suddenly, I had the impression that, by wanting to rewrite that ending, Juan allowed himself to go back to who knows what mystical, secret place —but evident to the reader— where the two characters are found making love. That is, they come back to themselves through the desire written between the lines in casual words. As I have said, it fell to me to be relatively close to Juan García Ponce in the last years and to discover, for strictly editorial reasons, up to what point Juan dominated his own work and knew what, how, why and when he had written every line. This overwhelming lesson confirmed for me —as if it were necessary— that Juan is an immense writer. In addition, for many of us he was something more than a writer or a teacher of literature: he was —and this is no exaggeration— a being of platinum discipline. He was a kind of anti-Faust who had to —and knew how to— renounce all the gifts of this world except love, experience and the memory of love, and love of writing. And, as if that were not enough, he read and read; he was up to date on novels and gossip, the polemics and shenanigans of the people he was interested in. The development of the project of his *Complete Works* became an obsession for him, and after a certain time, one of his points of contact with reality. I visited him no fewer than 20 times to talk about the content of each one of the first 20, and then 10, volumes of his works. He received me in his wheelchair, hair perfectly combed, bathed and in good humor, very avid to see how the project was advancing. I never stopped being surprised at the awareness that man had of the tremendous responsibility it was to organize his work in the best possible way for the reader, in the most readable, ordered way. And so, we would spend hours and days making lists of the titles of books and essays, coming up with tentative drafts, hypothetically putting together volumes and seeing which was the best, most didactic and transparent way of presenting his enormous —almost monstrous, obsessive and masterly— body of work.

My admiration for Juan García Ponce as a person is almost as vast as my admiration for the writer of novels, essays, short stories and articles. A few years ago, Juan still gave himself the luxury of receiving his friends like a great lord: he organized small parties with wine and food and sometimes dishes from his native Yucatán. After having worked every morning of every week and having gone over in his sleepless head the scenes from his novels or the arguments from his essays, after having read or listened to someone reading, Juan liked to listen to gossip and jokes and take part in the conversation, sometimes only in monosyllables, sometimes with longer sentences that he repeated again and again until he made himself understood, and then a big smile

would light up his face as though he had just witnessed the birth of a new civilization. Juan García Ponce was a writer by definition; all his contemporaries and friends in Mexico recognized that, beginning with Octavio Paz or Alejandro Rossi, as well as those from abroad: Pierre Klossowski, one of those he truly admired, José Blanco, Gabriel García Márquez and Rafael Humberto Moreno Durán. He was a good disciple of Robert Musil and Thomas Mann. During the first years when I knew Juan García Ponce in the School of Philosophy and Letters, he encouraged and led a seminar in German literature where massively and in detail, with the incisive slowness of the archaeologist and the precision of a surgeon, selected works by Franz Kafka, Robert Musil, Thomas Mann or Elias Canetti were analyzed. I remember in particular the number of sessions that we spent analyzing Kafka's story "The Burrow," a work whose imaginary density grew as each of us read and reread it at home. I bring up these sessions, because, as the reader will remember, in the work, Kafka evokes the silent buzzing that encourages the construction, that is, the acoustic phantom that runs through the work as though it were his own invisible double. Well, I must confess that in very few works of contemporary literature written in Spanish —or in any language— is that rumor as perceptible as it is in Juan García Ponce's. It is a rumor that is made of work and silence, of observation and history, of anecdotes and an enslaving will to give them form and unity through literature, through literary writing. It is not strange that Juan García Ponce became a cult as a writer. The public, even the least cultured, he who drinks in pornography without noticing theology, cannot but feel and follow the incessant dance of the passions and the bodies that are glimpsed and separated like in a kaleidoscope where everything falls of its own weight into place, every time in a new and fascinating way. And at the immobile center of this silent music, of this dance of the passions that meet in fires of dangerous relationships, in the breast of these carnal quartets and quintets, in the axis of these symphonies of love, is love, the idea of loving passion in all of its fullness and all its rawness, the hunt for the passions body after body, the quest for salvation by and in the language forced to say the impossible —love, the world enchanted by it— the slow description of those instants that, to invoke Marcel Proust, make up life, real life, life realized and caught up with at last, a life really lived, that is, life lived and saved through the literary form.

Juan never stopped reading and writing, overcoming the evil beasts of distraction with his unbreakable spirit. He wrestled from one day to the next, always sportily and ironically, with death, with weariness, with discouragement, with his own dry —and ever more dried up— body, and with his increasingly clumsy mouth and lips. By the end —let us admit it— he spoke with difficulty, and it was not easy to understand that voice so like an injured animal's that only a faithful few knew how to find some meaning in. The literary, critical, moral and aesthetic greatness of the work of Juan García Ponce is, of course, undisputable; what might be open to debate is its meaning and staying power. This body of work, practically impossible to comprehend as a whole, will continue to grow in time and is called upon to turn into an exemplary place of the imagination. A few weeks after the death of a writer who, while still living considered himself posthumous, it is too soon to try to measure his power of expansion, his ability to transform the idea and practice of the literature of a country like Mexico. Although we had the fortune of being close to him and, in a certain way, to recognize him, we know that many of Juan García Ponce's readers and critics are still to come and that his work somehow represents the anticipation of what a writer's own vocation can make of him when he gives himself up to it unreservedly. VM

Notes

[1] The Juan Rulfo Prize for Literature, given every December during the Guadalajara Book Fair, is one of the most prestigious awards for literary achievement in the Spanish language. [Editor's Note.]

Chronicle of the Intervention

(Fragment*)

By Juan García Ponce

It must have been very late when they left the dining room. The waitresses had brought a bottle to the table and had stopped tending to them. Also, the owners were no longer in their usual chairs when they left. It was Esteban who suggested they continue drinking and talking on the porch of their bungalow. The stranger accepted immediately. Mariana took Esteban's arm as they walked through the garden. Then she entered the room to serve the drinks while Esteban stayed behind sitting on the railing and the stranger took one of the chairs. When Mariana came out and handed them their drinks, she did not sit in the rocking chair, as she usually did, but instead she sat in a chair close to the stranger. Through the darkness the sound of the sea reached them as it did every night. Mariana stood up for a moment to turn off the porch light and to open the door to the room, commenting that she didn't like being in total darkness. She then returned to sit in the same place. Esteban drank in silence, without ceasing to look at Mariana. She did most of the talking, asking the stranger questions. He answered as briefly as possible, paying no attention to the conversation, which for everyone was disconnected from what was really happening, as if the words had lost all meaning, but to the movements of Mariana, whose leg at times brushed against his and whose hand at a certain moment unfastened another

* Taken from Juan García Ponce, *Crónica de la intervención* (Mexico City: Fondo de Cultura Económica, 2001), pp. 873-878.

one of the buttons of her blouse. Esteban registered the irresistible pleasure with which she displayed, each time more openly, her availability. He could see Mariana as if he were seeing her for the first time because everything seemed to happen for the first time, and she wasn't his Mariana but the Mariana removed from every possibility of being possessed because the pleasure she felt before the reality of her own person filled her completely. Then she removed her sandals and a little later put one of her bare feet on the stranger's and for a moment moved it up his leg. The conversation was becoming more intermittent. Mariana and the stranger were able to pretend that suddenly they were only intent upon the darkness through which the sound of the sea reached them, and their dedication to their drinks was also a pretext. In the midst of that tension, time elapsed slowly and completely. Finally, the stranger said something that allowed him to lean toward Mariana and put his hand on her thigh. Mariana looked at his large hand, which was of a color darker than her own skin, and she stopped talking, focused only on the subtle movements of the hand caressing her thigh. And then, suddenly, the stranger took her by the wrist and pulled her, forcing her to stand up, and sat her on his lap. Mariana looked him in the eye and didn't say anything, waiting. Then, she looked down; as if she didn't understand what the stranger was doing as he slowly unfastened the remaining buttons of her blouse and pulled it open exposing her breasts.

"What are you doing?" she then asked.

"Nothing," the stranger answered.

But his hand started caressing Mariana's breasts. After a while she put one of her arms around his shoulders and kissed him on the mouth. The stranger ran his fingers through her hair. After she stopped kissing him, Mariana remained on his lap, entirely at his disposal.

Esteban saw the stranger's head go down to Mariana's breasts and encircle one of her nipples with his mouth. She closed her eyes, but then, unexpectedly she sighed and got up, moving away from the stranger. He, as well as Esteban, looked at her standing in the semidarkness of the porch with her blouse open and her breasts exposed. She had made a decision, but no one knew what it was.

"Wait," she said turning her head one way and the other to look at Esteban and then at the stranger, and entered the room without bothering to close the door.

Neither one of the two men spoke during her absence, although the stranger filled Esteban's glass in silence. It was a way of saying that he was aware of his presence, but the one who was far away from himself was Esteban. Mariana came back out completely naked. In contrast with the rest of her body, the color of her breasts, her buttocks and the skin around her pubic hair emphasized her nudity. She let a few moments go by without speaking, standing a few steps away from the door to the room, barely smiling while Esteban and the stranger watched her, and then she said:

"Let's go swimming, huh? I feel like doing something like that. Come on."

No one answered. The stranger got up and walked until he was not in front, but at her side, in profile to Mariana's naked body. His hand started to roam over her body, while Mariana stood still. The stranger ran the tips of his fingers over her lips and then his entire hand over her shoulders, her breasts, her stomach, without attempting to break the slight distance that separated them. Then two of his fingers entered Mariana's vagina. His other hand began to run down her back and stopped on her buttocks and finally another one of her fingers also entered her anus. Almost against her will, Mariana opened her legs slightly, her body started to move and soon let out a moan of pleasure, she turned toward the stranger and put her arms around his neck at the same time that she forced him to kiss her on the mouth. She also took him by the wrist and led him into the room.

Without leaving his spot on the railing, Esteban had seen Mariana as if the present were a repetition that gave him back something about

which he was unable to think. Defeated by her own power of seduction, Mariana allowed them to do whatever they wanted with her assuming an attitude of surprise in which she found an irreplaceable pleasure that freed her from all responsibility to herself. To be able to look at her like this also made Esteban foreign to any judgment of her. He entered the room almost immediately. Mariana lay on one of the beds with her eyes closed as the stranger finished undressing. They had not bothered to turn off the light, and Esteban could see their two figures as a single reality in the incommensurable space of the room, where he didn't have a place. When he finished undressing, the stranger's erect penis stood out aggressively from his thin body of narrow hips and broad shoulders. He walked toward Mariana and lay next to her on the bed and kissed her on the mouth. She lowered her arm and took his cock in her hand. Esteban sat on the other bed. Mariana spread her legs and raised her knees up to her chest. From his place, Esteban saw how she guided the stranger's penis toward her vagina and made him enter her. The night that he had slept with her, Mariana had asked Anselmo not to allow him to fuck her, even though while Esteban was inside of her her body said the opposite. Now Mariana, with her hands extended on the stranger's back, her mouth half open and eyes shut seemed to have forgotten everything except for that body on top of her, which gave her such intense pleasure. Her legs crossed over the stranger's back and then stretched out next to his legs; he, in the meantime, had not separated his mouth from one of Mariana's nipples and he moved softly inside of her. During the course of the night, his degradation, that progressive disinterestedness from any preservation with respect to the integrity of his own person, had produced in Esteban the same suppression of personality that allowed Mariana to find her pleasure in a body which didn't seem to belong to her. But Esteban didn't feel any desire, dispossessed of himself, he was no more than the gaze in which contemplation became possible, and that solitary gaze saw Mariana as an absolute reality that could be possessed through the other, participating from the nearest closeness and the furthest distance of the transformation through which pleasure made her beauty glow, revealing and accentuating her without being able to destroy her even amidst the transformation that completely disintegrated her will, making her lose herself in the series of moans, murmurs and little screams which showed her inevitable surrender to the sensations which the stranger produced in her, at the same time making her be, in the capacity of her body to give him the pleasure he sought.

Through the absence of himself, Esteban felt completely lost in Mariana. His contemplation surrendered him to her and she took him although in that moment she was foreign and indifferent to his existence. His loss was an encounter in a space perhaps nonexistent and impossible to define, but perfectly limited by Mariana's body which Mariana, as a person, had also left behind much earlier, and that body very soon was no more than the sweetness which the stranger had made him enter surrendering him to the possible summit that was found within himself and which left him lying flat and immobile under the stranger's body.

Mariana kept her eyes closed. After a moment, the stranger came out of her and got up without Mariana making any movement. He then looked at Esteban who was sitting on the other bed.

"Perhaps I should go," he said.

"Whatever you want," Esteban replied.

The stranger picked up his clothes off the floor and dressed without hurry.

"Good night," he said to Esteban before leaving. VM

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The Unending Errantry García Ponce, Essayist[1]

Huberto Batis*

For Roberto Vallarino (†)

In his own introduction to his essay *La errancia sin fin: Musil, Borges, Klossowski* (The Unending Errantry: Musil, Borges, Klossowski), which won the 1981 Anagrama Prize for Essay in Barcelona, Juan García Ponce winks at the reader, denouncing a supposed "suspicious ambivalence," in the sense of whether he has used the three authors who have most occupied his thoughts lately to illustrate with their works "certain concerns" of his own, or he has picked them "to seek a certain meaning that covers and unifies them," or "significant points of contact among their works that prove the continuity of a self-same question." Making his critical method explicit, García Ponce has said that works pick both their authors and their readers, so that the "suspicious ambivalence" will have to be understood as an invitation to enter into a vicious circle that, in any case, is very healthy because it incites and is fertile.

Art: Thought

Roland Barthes has made it clear how pleasure can be obtained from the "retold pleasure" that is all criticism that replaces in the reader the position of the critic's *confidant* turning him into his *voyeur*. The only appropriate reading with texts as delightful as this one is an approach that makes it possible to enjoy the pleasure of the other, in this case of

> finding solace in the problems that those works put before the reader and seeking a kind of pleasurable repetition of its creative task from a complicity that tends, more than to distance and critical objectivity, to the identification both with conflicts dealt with and the way of expressing and resolving them.

Does García Ponce "use" Musil, Borges and Klossowski, perhaps, as he himself says, in a "spurious" way to read his own work, or is it they who, reflected in the mirrors of his reading, manifest themselves in his re-writing in solidarity? In this sense, the essay aspires to —and achieves— being a voyeur of Musil, Borges and Klossowski, and so on *ad infinitum*. Could a wall be put around this kind of unending errantry?

Writing, as a form, García Ponce says, makes us see how "art shows its close relationship with the space of thought." Musil, Borges and Klossowski are all thinkers, and metaphysical ones at that. Distrusting the power of abstract language to think what they want to think (the unthinkable), they give themselves over to the quest for literary forms that give flesh (like a sheet given to a ghost) to this "impossible" appearance, to offer in what is imaginary, as a simple tactic in the game, the tautological "This is this", and to say, with a language that is useless, something different from what it says. And, speaking of voyeurism, we should

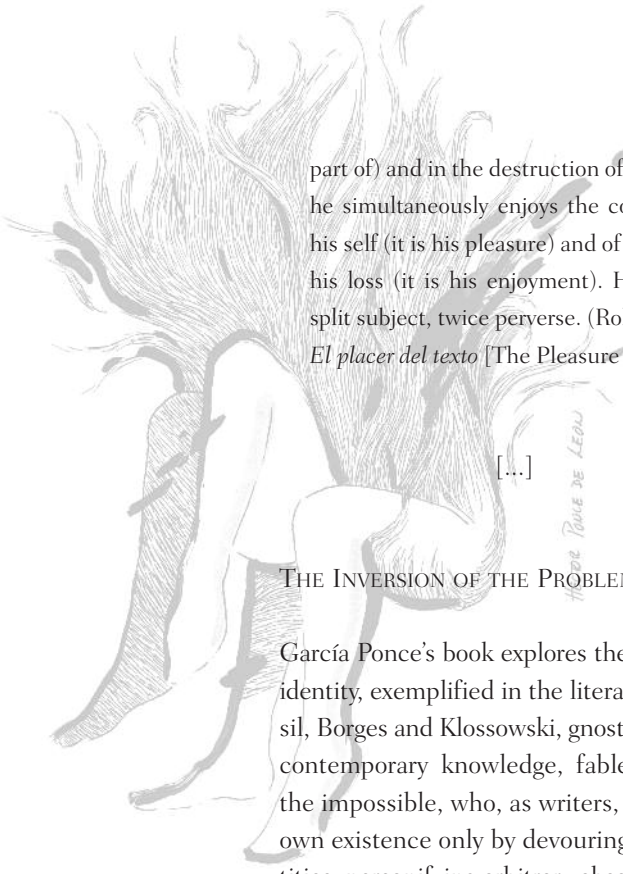
* Mexican literary critic, writer and editor.

again remember Barthes, when he says that the instrument that plays the role of the eye is always the text, which, as Ángelus Silesius used to say, is "The eye through which I see God, the same one through which God sees me."

Love as a Road to Knowledge

García Ponce has seen his authors revolve around and around a crucial point for metaphysics: the principle of identity, which in all three "gives rise to facing love as a road to a specific form of knowledge." And what else could be more precisely voyeur-able than love, even if it is the unrealized kind? It would be nothing but traditional to say that it is a pleasure to read García Ponce's *The Unending Errantry* about the works that have occupied him for many years of his life and may continue to occupy him, since the same essay is always written. It would also be commonplace to say, like his interpreter in studies that have turned into books (*El reino milenario* [The Millenarian Kingdom], *Teología y pornografía* [Theology and Pornography]), that García Ponce has added a great deal of value to the universal interpretation. We should know how to say that this book —so justly a prize winner— imposes its intelligent manufacture to the point of making the consistency of the chronicler waver in his cultural bases.

> He who maintains the two texts in his field and in his hand the reins of pleasure and enjoyment is an anachronism, since he participates contradictorily and at the same time in the profound hedonism of all cultures (which penetrates in him pleasantly in the form of an art of living that ancient books are a



part of) and in the destruction of that culture: he simultaneously enjoys the consistency of his self (it is his pleasure) and of the quest for his loss (it is his enjoyment). He is a twice split subject, twice perverse. (Roland Barthes, *El placer del texto* [The Pleasure of the Text].)

[...]

The Inversion of the Problem

García Ponce's book explores the absence of identity, exemplified in the literature of Musil, Borges and Klossowski, gnostics of secret contemporary knowledge, fable-makers of the impossible, who, as writers, affirm their own existence only by devouring their identities, personifying arbitrary absolutes in figures of fiction: Roberte, who is multiplicity itself, in Klossowski's work; Beatriz Elena Viterbo locked in Borges' *Aleph*; Ulrich and Agathe in *The Man Without Qualities* by Musil.

In Borges, the opposition of opposites is annulled and all identity disappears interminably; the Other is always the Same; the traitor is the hero; he who is alive is dead; and "Our nothings differ little; the circumstance that you are the reader of these exercises and I the writer is trivial and fortuitous." Ulrich contemplates himself in his sister Agathe, and she contemplates herself in her brother, in the un-realized incest, in that which their creator, Musil, leaving it undetermined as Ulrich and Agathe want, dissolves in the "pure image of their love." Roberte accepts being possessed by the Spirit to receive as pure grace the identity of the "other" Roberte that she always contains, since souls eternally return to other bodies when they, through seduction, remain out-of-themselves to thus create Octave, the seeker of the pure spirit, in divulging or co-participating the body of his wife (Octave is Klossowski). As García Ponce says,

> The problem of identity cannot be resolved in a work that does not grant it "from outside" as "pure grace," but in the loss of oneself, in that memory of forgetfulness that allows us to know that momentarily we are in the time that is always "that tiger that devours rivers" and whose refutation is impossible because before we were in another time placed outside the time that, through the Eternal Return to the Same that only is such in its apparent Otherness, gives us eternity. But if this is only the "fatigued hope" that is the only one within our reach, its recognition always leads to the manufacture of fables in which it becomes visible.

The Threads of a Common Plot

For Musil, Identity is the permanent non-entry into the Millenarian Kingdom. For Borges, literature makes the man who believes he makes it. "Our identity is a mere grammatical courtesy," as Klossowski says. In lucid skepticism, in pursuing the obsession that leads to madness (to losing oneself), in the book perpetually open in which brothers are "neither separate nor united," Juan García Ponce seeks the threads of the common plot of their creators: the vertigo of the seekers of the absolute, where myth and reflection nourish each other, thanks to a literature that has become self-aware. The essay is convincing; nothing is forced since "the myths communicate among themselves" (Levi-Strauss) and the ideological and the imaginary overflow, liberated, twisting consciousness.

Philosophers do not ask themselves about the poetic; poets do ask themselves about philosophy and eternally precede it, Heidegger used to say. And Juan de Mairena writes, "With words, you think, feel and desire." The

poetic is what is left once the wrapping is removed; the problem is knowing how to differentiate with a conscious, wise, creative work, whose supreme moment is that of great fiction. García Ponce proceeds by progressive turns of the screw, asking himself the questions that matter in this serious game of literature, whose function is always the same: "Turning into spirit, into pneuma, into a breath, into words." The great writers let themselves be pure literature so their creatures can live, and the identity of their persons is devoured by the signs of their literature, which in the end, perhaps, as Borges supposes, "draws the features of its own face," made of words, since, they are only wind, breath, the inevitable destiny of all death when bodies exhale their souls (Klossowski).

For Musil, writing is "expressing subjectivity"; but Ulrich, the man without qualities or the qualities without a man, takes it upon himself to discover reality's absence of reality and the non-existence of a presumed subjectivity, the nothing of the world's false appearances. Borges ends up knowing that he is not Borges because he has become "a vast, expanded literature." Klossowski closes the circle with his Roberte, transformed and changed by everyone, perversely hypostatized to allow the entry of the spirit into the world, her person suspended in a "living picture" that situates her in the intemporality and the fixedness of art, a pure contradiction, a loss of being.

[...]

The Absence of Identity

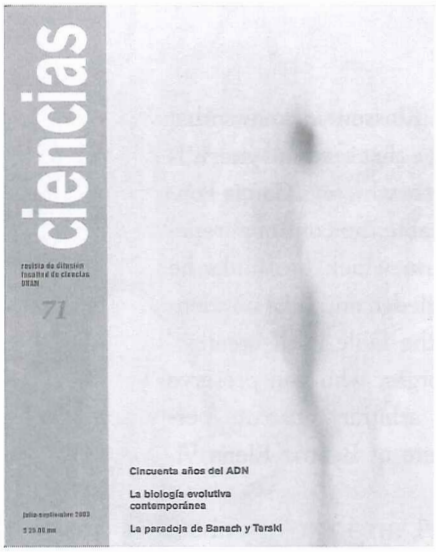
But "all names are nothing more than a momentary designation behind which the absence of identity is hidden, the triumph of forgetfulness in the repetition of the Same." All identity is illusory. Klossowski knows that the secret knowledge that seeks all gnosis is impossible, and that is why, says García Ponce, "it makes inevitable the continual repetition of the fable in which he thinks he offers us that knowledge and, like all identity, beyond what the fable itself creates." The same with Borges, who will preserve himself losing the arbitrary absolute personified in the figure of Beatriz Elena Viterbo in *Aleph*,

> where that figure lives forever beyond its death in the object that embodies the infinite. The absolute cannot preserve itself or destroys he who contemplates it. Musil renounces the identity that would give "closure" to *The Man Without Qualities*, that is, realizing Ulrich's and Agathe's love, the incestuous pair without completion. Poetry, thus (*quo erat demostrandum*), lives at the cost of the poet, and his identity is not found in the work that he himself has made possible, but rather, to the contrary, is devoured by it

as always happens in all categories. There is no origin or end, but only continuity, just as the fables show, "bases of a reality without basis": creation is the work of a minor demiurge who proposes absolutes that are not really absolute, but that affirm the impossibility of the absolute making it possible in its very negation. And in the end, we return to the beginning to start over: "The only thing that exists is the grammar that allows us to feign the absence of an ending." VM

Notes

[1] This is an abridged version of the essay, "La errancia sin fin. Musil, Borges, Klossowski," *Crítica bajo presión. Prosa mexicana 1964-1985* (Mexico City: UNAM, 2003). It was originally written to commemorate Juan García Ponce's winning the Anagrama literature prize in 1981.



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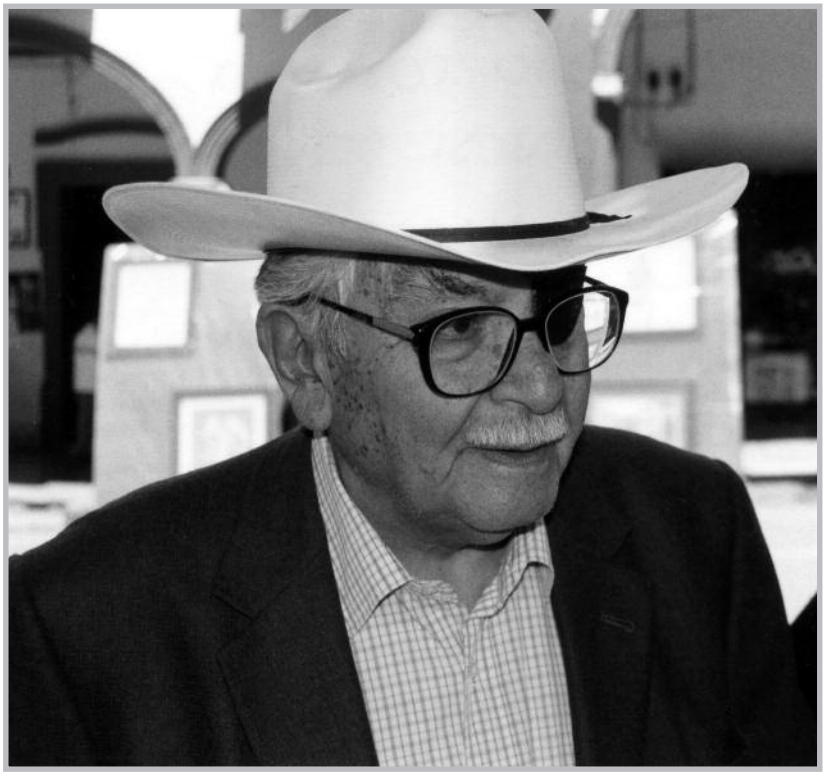

Luis Luna Lara

Luis González
An Invitation to Micro-History

Francisco Miranda*

The death of Luis González, December 13, 2003, should be taken as an opportunity to think about the importance of his life and work for our country's cultural history. Devoted to academic life, he was a man of loyalties, first to his Mexico College (Colmex) and last to the Michoacán College (Colmich).

It is not enough to just know about the intellectual adventure of the father of Mexican micro-history. We should also learn from his feelings and experiences, which made him a leading citizen of his time, replete with transformations (1925 to 2003): from the painful Cristera War, which brought exile to his family and the burning of his hometown, to the recent legal recognition of religious organizations.

The main body of his work was published in 17 volumes and a compact disc by Clío and the National College. In addition, he gave many lectures, informal talks and was always interested in

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sharing his knowledge in courses. He also always encouraged people and breathed life into the most varied of academic projects.

His micro-historic work began by proposing a model in his *Pueblo en vilo* (San José de Gracia. Mexican Village in Transition). He theorized about it in *Invitación a la microhistoria* (Invitation to Micro-History), following this up with concrete histories, *Zamora* and *Sahuayo*. And he finally wrote a manual for writing specific histories in *El oficio de historiar* (The Craft of History).

Mexican Village in Transition had many editions in Spanish and was translated into English by John Upton and published by the University of Texas in 1972, and into French by Annie Meyer, published by Plon in their Terre Humaine Collection in 1977 (*Les barrières de la solitude. San José, village mexicain*).

But Don Luis not only wrote and theorized. He also invited other historians to join him in his task of promoting "motherland histories," as he called the products of micro-history. I should mention here *Monografías municipales* (Municipal Monographs) in which a dozen authors write about 20 Michoacán towns; with more writers from all over, he also compiled the series *Monografías estatales* (State Monographs) for the Ministry of Public Education, which included them as texts for primary schools. Don Luis himself wrote the one about Michoacán, giving it the evocative title *Michoacán, lagos azules y fuertes montañas* (Michoacán, Blue Lakes and Strong Mountains).

He already had experience working on collective works, such as the *Historia Moderna de México* (Modern History of Mexico) by Don Daniel Cosío Villegas, in which he wrote a volume about life in society; as the editor of *Historia mexicana* (Mexican History); or as the compiler of *Historia de la Revolución Mexicana* (History of the Mexican Revolution), for Colmex, for which he wrote a couple of volumes about President Cárdenas. He was also part of Salvat's *Historia de México* (History of Mexico) and Colmex's *La historial general de Mexico* (General History of Mexico).

González was a convinced, radical promotor of decentralizing research and founded social science research centers outside Mexico City. On November 1, 1978, he launched the first of these, Colmich, in Zamora, Michoacán, and he lived to celebrate the institution's 25th anniversary (though not the official one, which was on January 15, 2004).

He followed the Colmex model, calling on scholarship students with vocation to work in the field of the human sciences, while putting the accent on local topics. He was, then, the guide in creating other similar centers such as those founded in Sonora, León, the Northern Border, Toluca, Guadalajara and San Luis Potosí.

He promoted the founding of the National System of Researchers and was a permanent consultant for the Ministry of Public Education, the National Council for Science and Technology and the country's main academic institutions.

A member of the Mexican Academy of History, he was inducted into the National College in 1978. He was given the National Prize for Science in 1983, the Belisario Domínguez Medal at the end of his life, and innumerable other distinctions in Mexico and abroad.

Don Luis also rendered outstanding service to his hometown, San José de Gracia, Michoacán, where he fostered the creation of junior high schools and high schools, making donations of his own property. He worked for the introduction of basic services like electricity and telephones, promoted municipal independence and the use of the original name of the town. He also procured the donation of buildings for a cultural center and a senior citizens' home.

Historian Jean Meyer writes, "Luis González is simultaneously the most Mexican of Mexicans and the least chauvinistic of patriots. His love for his home state and national homeland nourishes his love for the great family of all men and is nourished by it." And it would not be improper to add the voice of Don Luis to those of the chorus made up of Ramón López Velarde, Juan Rulfo, Agustín Yañez or Juan José Arreola. VM

Reviews

La economía mexicana bajo la crisis de Estados Unidos
(The Mexican Economy under the Weight Of the United States Crisis)
Arturo Guillén and Gregorio Vidal, comps.
UAM-Iztapalapa Campus-Miguel Angel Porrúa
Mexico City, 2003, 332 pp.

The first official indications of a possible recession in the United States were made public between June and September 1999. A change in monetary policy increased short-term interest rates to prevent overheating and avoid the threat of inflation.

Seemingly, the fundamental reason was linked to the so-called "new economy", which experienced a noticeable surge between December 1999 and January 2000. The threat of Microsoft as the operating systems monopoly produced one of the most complex legal cases that the business world had ever experienced. The trial was a warning for all the players in the technological market at a time when technological goods were flooding the market and daring mergers of communications companies were taking place, watched, but not necessarily fought, by government regulators.

Certainly, for the first time, economists accepted that productivity figures could be mistaken since they had not noted the impact of software as an investment and not an expenditure. The Department of Commerce's Office of Economic Analysis reported that between 1995 and 1998, the U.S. economy's productivity was 2.6 percent, not 1.9 percent; this put the growth of the gross domestic product at 4.2 percent instead of 3.8 percent.

In early 1999, the average annual productivity rate was reported at levels not seen in 10 years: over 3.5 percent. Increases in manufacturing productivity could even be pointed to, as well as uninterrupted economic growth for several months. It was also recognized that migrant workers skilled in computer technology had high priority since a critical deficit in this kind of labor was foreseen for 2002 given a possible non-skilled full-employment economy.

Internationally, the beginning of the century meant that the era of free trade agreements and the "dollarization" of backward economies were antidotes that would trigger spill-overs of development in economies like those of Latin America.

But one moment. Have things changed so much, to the point of blaming the U.S. recession for Mexico's economic situation?

The answer is no. The new economy that was blamed for the crisis (not the slowdown or recession) was not at the time the exclusive cause of

the problems plaguing the economy of the United States, Mexico or their relations. Actually, the orthodox idea of what a recession consists of is still being challenged by the economic change going on through the adjustments in the economic processes worldwide. The lethal effect of the sum of recessive events in 2000 has not (yet) unleashed a breakdown of financial relations between the two countries or on a world level. Thus, while the U.S. economy is experiencing an upturn, the Mexican economy is suffering from structural competitive weakness.

This book is a product of the discussions in the Political Economy Seminar of the Autonomous Metropolitan University Economics Department, Iztapalapa campus. It is part of this debate which needs to be much more deeply analyzed.

The book includes eight articles and their respective commentaries. This is undoubtedly a plus for the book's value added, but it is insufficient to explain the broad spectrum of issues involved in Mexico's and the United States' economic crises.

The introduction written by the compilers should be taken as the central article that gives the book its name, since it offers a broad discussion of the question of the recession in Mexico and the United States in 2001 and 2002 with very detailed data. It makes it clear that the impact of September 11, 2001 is yet another justification for the international changes that the U.S. economy needs to maintain its economic hegemony. If employment does not recover in periods of well-being, it is because the economy demands a more select kind of job. In addition, the Bush administration has supposed that a tax cut is the best medicine against the recession.

The book's compilers warn of the danger of killing the goose that laid the golden egg: "Devaluing the dollar with such low interest rates" as a policy to compete with the developed world, as the context of the deflation that the United States is exporting, paradoxically putting at risk the future of the centrality of the dollar, "a fundamental aspect of its hegemony" (p. 14).

One thing is very clear in the book: the evils of the recession in Mexico should not only be attributed to the zigzags in the U.S. economy, but rather to structural problems of Mexico's economic institutions. This seems to be the case in some of the articles: insufficient effective demand and indebtedness in Tijerina's article; the problem of credit as analyzed by Enrique Pino, who compares Korea's and Mexico's financial systems, taking as reference point the crises of 1994 and 1995 in a period he calls "pre-globalization" (p. 255); the results of the external private sector's financial strategies in Arturo Guillén's article; the undervaluation of the peso put forward by Julio Goicochea; the weak environmental policies reviewed by Eliézer Tijerina. The articles by Víctor M. Soria and Delia Montero point to the weaknesses rather than the strengths of free trade and investment in North America, while José Valenzuela hits the nail on the head by explaining over-accumulation as one of the fundamental causes of the United States' boom, crisis and recession.

Several authors blame Mexico's crisis and recession on neoliberal policies inspired in the Washington Consensus, considered the root of underdevelopment.

However, we long for new proposals. As Arturo Guillén says:

> Advancing toward these changes will not be easy, nor will they be fostered by finance capital or the docile, corrupt bureaucracies of our countries. Rather, it will be a long struggle to resist carried out not only by parties and political organizations identified with change, but mainly by the victims of neoliberal globalization who are beginning to organize on their own (p. 67).

Perhaps we have to wait for another book from this talented group of economists that can unravel the mystery of how to overcome the phantom of the U.S. crisis without feeling affected.

Alfredo Álvarez Padilla
Economist

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