DTIC FILE COPY

AIR WAR COLLEGE

RESEARCH REPORT

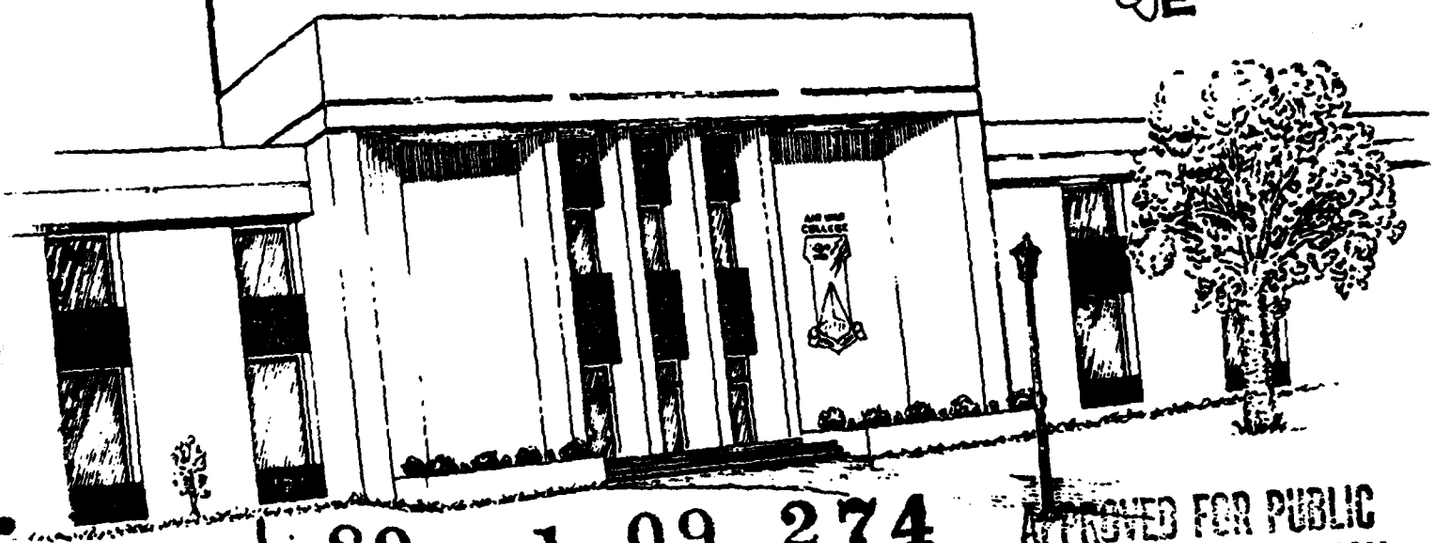
AD-A202 070

MEXICO: THE ULTIMATE DOMINO?

LT COL JOHN C. MANGELS

1988

DTIC
ELECTE
0 9 JAN 1989
S D
E



89 1 09 274

AIR UNIVERSITY
UNITED STATES AIR FORCE
MAXWELL AIR FORCE BASE, ALABAMA

APPROVED FOR PUBLIC
RELEASE; DISTRIBUTION
UNLIMITED

AIR WAR COLLEGE
AIR UNIVERSITY

MEXICO: THE ULTIMATE DOMINO?

by

John C. Mangels
Lieutenant Colonel

A RESEARCH REPORT SUBMITTED TO THE FACULTY

IN

FULFILLMENT OF THE RESEARCH

REQUIREMENT

Research Advisor: Dr. David Farnsworth

MAXWELL AIR FORCE BASE, ALABAMA

April 1988

DISCLAIMER

This research report represents the views of the author and does not necessarily reflect the official position of the Air War College or the Department of the Air Force. In accordance with Air Force Regulation 110-8, it is not copyrighted, but is the property of the United States Government.

Loan copies of this document may be obtained through the interlibrary loan desk of Air University, Maxwell Air Force Base, Alabama 35112-5564 (telephone: (205) 293-7223 or AUTOVON 875-7223).

AIR WAR COLLEGE RESEARCH REPORT ABSTRACT

TITLE: Mexico: The Ultimate Domino?

AUTHOR: John C. Mangels, Lieutenant Colonel, USAF

Critical examination of Congressional testimony and popular press assertions that Mexico's financial and political condition make it ripe for Marxist exploitation and therefore a threat to US security. Remarks on the historical relationship between the US and Mexico are followed by an analysis of five key issues confronting the two countries: foreign debt, trade, migration, illegal drugs, and foreign policy. The outlook for Mexican political stability is evaluated. The author concludes that Mexico's financial condition presents near-term challenges, but its progress toward recovery, economic potential, and inherent democratic outlook make predictions of political collapse and an eminent threat to US security overstated. Suggested US actions to further strengthen bilateral ties are provided.

COPY INSPECTED 4

A-1

BIOGRAPHICAL SKETCH

Lieutenant Colonel John C. Mangels (B.A. Stanford University; M.A., Embry Riddle Aeronautical University) developed his interest in the security of Mexico through personal study of the Sandinista Revolution in Nicaragua. A former B52 squadron commander, he has also served in personnel and combat support assignments as well as a broad range of operational assignments in fighter, trainer, and bomber aircraft. Lieutenant Colonel Mangels is a graduate of the Air War College, Class of 1988.

TABLE OF CONTENTS

SECTION		PAGE
	DISCLAIMER	ii
	ABSTRACT	iii
	BIOGRAPHICAL SKETCH	iv
I	INTRODUCTION	1
II	BACKGROUND AND CURRENT ISSUES	2
	Foreign Debt	4
	Trade Relations	12
	Migration	15
	Illegal Drugs	21
	Foreign Policy	23
III	POLITICIAL STABILITY	25
IV	CONCLUSIONS	28
	NOTES	31
	BIBLIOGRAPHY	34

INTRODUCTION

Mexico has long been an enigma for the United States. Physical proximity and a multitude of shared interests unfortunately do not prevent the bilateral relationship from being one that historically has been marked by suspicion and apprehension on both sides of the border. The Mexican view of US-Mexican relations is best described as guarded; a famous unattributed 19th century quote--"Poor Mexico, so far from God, so close to the United States"--highlights the concern of many in Mexico for the motives of its neighbor to the north.(1) And opinion on the US side is frequently marked by similar trepidation, including such grave warnings as as that of General Paul F. Gorman, former commander-in-chief of the US Southern Command. In 1984 testimony before the Senate Armed Services Committee, Gorman responded to questioning by Senator Barry Goldwater (R-Ariz) on the Senator's concern for the stability of Mexico:

> It [Mexico] has had the most corrupt government and society in all of the region. It is a one party state for all intents and purposes that has pursued a policy of accommodation not only with their own leftist elements, but with international leftist elements.... They have opened their doors to guerrilla groups in El Salvador and Mexico City is now becoming the center of subversion throughout Central America.... I would say that 10 years from now, unless there is some dramatic change in the interim, that [Mexico] will be the number one security problem for the United States.(2)

A year later, General Gorman, in response to further questioning before the same committee, said "Mexico is a dangerous country today because of endemic violence, political and otherwise, and the difficulties that the government has had in accommodating the growth of politcial opposition there."(3) Not surprisingly, concerns like these, when coupled with a decade of violent unrest in Central America, have

become important foreign policy and national security interests of the Reagan administration. President Reagan outlined the threat of a domino effect leading to communism on our borders in an address to the2 nation on March 16, 1986.

> Using Nicaragua as a base, the Soviets and Cubans can become the dominant power in the crucial corridor between North and South America. Established there, they will be in a position to threaten the Panama Canal, interdict our vital Caribbean sea lanes, and. ultimately, move against Mexico. [emphasis added] Should that happen, desperate Latin peoples by the millions would begin fleeing north into the cities of the southern United States, or to wherever some hope of freedom remained.(4)

The purpose of this study is to examine current conditions in Mexico and evaluate the likelihood of the kind of social and political unrest now in Central America spreading to that country. The state of US-Mexican relations will be explored from a national security perspective, and the information analyzed to assess the threat Mexico may pose to US security over the next decade. Is Mexico in danger of becoming the "ultimate domino" as feared by President Reagan, former Senator Goldwater, General Gorman, and others? If so, the consequences are certainly grounds for a major restructuring of US foreign and defense policies. The prospect of our immediate neighbor, third largest trading partner, and largest foreign petroleum supplier in political chaos and struggling with a communist insurgency is potentially the most galvanizing national security issue for the US since World War II.

Background and Current Issues

US-Mexican relations have typically been marked by differing perceptions of the key problems confronting the relationship. Several

factors are at play; chief among them are broad cultural differences, dissimilar political and governmental organizations, and an asymmetric economic and security posture that heavily favors the United States. The United States' 19th century seizure of half of Mexico's territory in the Mexican War, and subsequent US military incursions in defense of security and business interests during the Mexican revolution are responsible for a lasting legacy of Mexican uneasiness. "No element of US relations with Mexico--whether the issue concerns trade, migration, or the price of natural gas--is untouched by Mexican concern with being dominated by the United States," according to Richard D. Erb, research fellow at the American Enterprise Institute for Public Policy Research.(5) Similarly, Victor L. Urquidi, President of El Colegio de Mexico calls the Mexican approach to relations with the United States "essentially one of mistrust."(6) The Mexican outlook on the threat of dominance by the US tracks with similar concerns expressed in Canada, another neighbor locked in an asymmetric relationship with the United States. However, Canada's relative economic parity and similar cultural background make that relationship less volatile, and therefore less threatening, than the one shared by the US and Mexico.

In contrast, the US has typically viewed Mexico in the context of a "special relationship." President John F. Kennedy summed up this perspective during a visit to Mexico City, saying "geography has made us neighbors, tradition has made us friends, and economics has made us partners."(7) Unfortunately, US actions based on the assumption of such a special relationship have frequently been perceived as

domineering or patronizing in Mexico. Our policymakers are often frustrated when they assume Mexico's proximity will equate to mutual understanding and support for US policy. Because many in Mexico fear US dominance, independence from US policy in the name of Mexican sovereignity has more often than not overridden any notion of a special relationship.

The issues dominating the diplomatic discourse between the United States and Mexico over the past decade have been sharply focused in five major areas: financial stability (debt), trade, migration, drug enforcement, and foreign policy, particularly Mexico's outlook on Central America. They are likely to remain the key issues into the next century, and examination of them underscores the interdependence of the US and Mexico. In the US, those issues are supplemented by a concern for political stability as events unfold to indicate a declining Mexican consensus for the Institutional Revolutionary Party (PRI). Over the past decade, the Mexican government's struggle to deal with the country's economic crisis has focused attention on inefficiency and corruption that has long been endemic to the Mexican system. The PRI's 50-year grip on Mexico's government may be weakening, creating the possibility of political unrest.

Foreign Debt

Mexico's foreign debt at present is $105 billion, the largest in Latin America aside from Brazil. It is the dominant bilateral issue between the US and Mexico. The Mexican government's near default on this substantial burden in 1982, and emergency measures taken in

response to that financial crisis have been the focus of most recent attention. Full appreciation of the problem, however, requires an examination of events leading to the 1982 near-default. In the aftermath of the Mexican revolution (1910-17), the new government set a nationalistic course for developing the economy, a departure from the prerevolutionary reliance on heavy foreign investment. Thus, protectionist trade legislation, limitations on the percentage of foreign ownership, import substitution, and government central management of key industrial segments of the economy became structural pillars of the Mexican economy. Despite inefficiencies, this formula was successful in developing Mexico into a newly industrialized country, growing at a post-World War II rate of approximately six percent annually. This growth was not evenly balanced, however, since import substitution policy and accompanying protectionist tariffs made private sector production for home market consumption the easier route to profit. Since government policy restricted competition for import substitution plants, they were relatively profitable in spite of production inefficiencies. Accordingly, production for the domestic market drew a disproportionate share of the available investment capital, at the expense of production for export. Low export production in turn led to lack of foreign credits needed to help sustain economic growth. Like many emerging industrial countries, Mexico resorted to foreign borrowing to obtain the revenue needed to build its economy.(8)

Foreign loans were a manageable alternative through the 1960s, a period when Mexico's economy was growing and a smaller population

required creation of fewer new jobs to accommodate annual additions to the labor force. By the mid-1970s, however, several factors combined to put new pressure on the Mexican economy. An exceptionally high birth rate and corresponding reduction in mortality added newcomers to the labor force faster than they could be absorbed. Robert E. Looney cites this labor absorption problem and protectionist government policies as key factors that significantly reduced growth of productivity. A steady downward trend in productivity in turn contributed to the growth of foreign debt by lowering the percentage domestic capital was able to contribute to required economic growth.(9)

Compounding the economic downturn, President Luis Echeverría sought to redress social concerns [rural poverty, urban underdevelopment, distribution of wealth] that had manifested themselves in a 1968 student uprising in Mexico City. Using a longstanding PRI tactic, Echeverría moved to co-opt this leftist movement by increasing government spending and strengthening the government's role in the economy. His action touched off private sector fears of an undesireable move to the left, and the business community responded by reducing its investment. Echeverría filled the void by expanding public sector industrial investment. This investment, when added to existing inefficiently managed public development programs, put severe strain on the treasury. Government borrowing and calls for more frequent wage increases fueled inflation, which rose from an annual rate of 3.5 percent in 1970 to 27 percent by 1976.(10)

Strongly influencing the situation, both in Mexico and for the banks making loans to the country, was the 1973 discovery of additional petroleum reserves by Petróleos Mexicanos (PEMEX), the national oil company. The potential for increased revenue from these reserves fired government confidence and spawned ambitious plans for national development that were launched with new foreign loans. Unfortunately, the added oil revenue was not sufficient to overcome previous excesses in financial management and prevent a devaluation of the peso in 1976. This was the first devaluation since 1954, and it set the stage for many that would follow. The United States, in the first of several efforts to shore up the Mexican economy, provided a $600 million emergency stabilization loan to underwrite the peso, and the International Monetary Fund (IMF) responded with a $1.2 billion loan. The US Treasury in turn persuaded the commercial banking community to renegotiate some $12 billion in loans to the Mexican private sector, which had been endangered by the large devaluation.(11)

Participation of the IMF required that Mexico implement an austerity program to improve the performance of its economy. This was accomplished under the new administration of President José López Portillo, Echeverría's successor. The austerity measures--restricted government spending, limited foreign borrowing, and restricted wage increases--were a political burden for the Mexican government. While generally complying with the IMF formula, Mexican government and labor leaders criticized it for harshly restricting economic growth and treating symptoms rather than the root causes of the problem.(12) Good

fortune in the form of new dicoveries of oil and natural gas provided revenue that enabled rapid retirement of the IMF loan and removal of the 1976 spending restrictions. The new petroleum discoveries, however, led to new public and private sector aspirations that inspired another round of borrowing. President Lopez Portillo announced a national development program to be funded by oil and gas exports. This included expansion of heavy industries as well as consumer goods production, and was upgraded in April 1980 to incorporate agricultural development, health and public works projects under a new title lobal Development Plan. Despite its good intentions, the Global Development Plan was poorly executed, and thus contributed to Mexico's current financial plight. James A. Street summarized its problems:

> Because the presidential term was more than half over when the plan was announced...,the government's programs were initiated with great haste and considerable inefficiency. The period was characterized by a consumer spending spree of vast proportions, particularly in Mexico City and in border areas. Spending was fed by government monetary injections into the income stream before the newly inaugurated industrial expansion program could provide sufficient goods from domestic sources. Imports, both legal and clandestine, rose markedly to meet consumer demand.... An appreciable share of the public revenue derived from oil exports reached the hands of private individuals, known in Mexico as sacadolares (dollar plunderers), who converted these funds into foreign deposits and investments.(13)

These problems, along with a 1981 decline in world oil prices which reduced critical revenues that had been counted upon to finance Mexico's aggressive growth plan, led to the country's second major financial crisis in 1982. In August of that year, Mexico announced that it would have to default on its loans unless the United States provided emergency

assistance. The depth of involvement by the US banking community dictated the response: "the top 13 American banks were owed $16.5 billion--or the equivalent of 48 percent of their capital--by Mexico," the US government had little choice but to arrange the rescue package.(14) It included advance payment for Mexican oil ($1 billion), Commodity Credit Corporation payment for Mexican grain imports ($1.7 billion), a $3.9 billion IMF loan, $1.85 billion in emergency credits from the Bank of International Settlements, and postponment of $17 billion of short term commercial debt.(15)

The 1982 debt crisis dealt a near-fatal blow to the Mexican economy. Another fiscal austerity program imposed as a condition for IMF support severely curtailed projects started under López Portillo's Global Development Plan, increasing unemployment. Private capital was shipped out of the country in response to further peso devaluation. But the most serious blow came when López Portillo elected to nationalize the Mexican banking system in a move intended to control capital outflow. Portillo inaccurately blamed the banks for Mexico's economic troubles, accusing them of facilitating flight of capital to the United States and Europe. His action destroyed already weak private sector confidence, bringing new investment to a standstill. As a result, the peso suffered further devaluations, and growth in gross domestic product (GDP) fell to negative values: -0.5 percent in 1982 and -5.3 percent in 1983.(16) The GDP recovered to 3.5 percent growth in 1984, then dropped steeply, -4 percent, in 1986 due to a decline in oil prices. It recovered to 1 percent growth in 1987. (17)

To its credit, the Mexican government perservered in the face of this economic adversity to keep up the interest payments on its debt. However, continued low oil prices, unstable currency, and additional borrowing necessitated by a major earthquake in Mexico City in Septmeber 1985 drove the debt steadily higher, approaching $100 billion by the summer of 1986. At that point, renewed fears of default led to another US-engineered emergency agreement to sustain Mexico's economy. Half of this $12 billion package of new loans was obtained from US and foreign commercial banks and the remaining half consisted of loans from foreign governments (Japan), the World Bank, the Inter-American Development Bank, and the IMF. Negotiations for this package included demands for Mexico to move away from its longstanding policy of import substitution, and to reduce the government share of ownership in unprofitable or uncompetitive industries. Emphasis was to be placed on developing exports in order to build a more balanced economy.(18)

The two years since issuance of the emergency economic assistance described above, new initiatives have been developed to ease Mexico's debt crisis and progress has been made. A divestment program has reduced state ownership of business and industrial firms by 75 percent, from 412 in December 1982 to 104 in February 1988. Exports rose 31 percent in 1987 due to improved crude oil prices and a significant increase in the export of manufactured goods. Its trade surplus almost doubled in 1987, reaching $9 billion following a $4.6 billion surplus in 1986. Improved conditions and a tightening of domestic credit were responsible for the repatriation of substantial

Mexican capital from abroad, pushing foreign reserves to $15 billion by October 1987. A debt-to-equity conversion plan which offers foreign or domestic investors a share of state-owned industries in exchange for the private firms' assumption of government debt lowered debt commitments an estimated $1 billion in 1987. (19)

Despite these encouraging programs, inflation has proven difficult to control. At the beginning of 1988, the government announced a new "Pact of Economic Solidarity" with labor and business aimed at controlling inflationary government spending, wage and price increases. The pact also pledges to open the country to more foreign goods. Although the pact has been criticized by labor leaders for lack of enforcement measures, early indications are that it has reduced inflation. The consumer price index declined from 15.5 percent in January 1988 to a forecast 3 percent in March.(20) In December 1987, the US Treasury announced a plan to sell $10 billion in zero coupon bonds to Mexico. The cost to Mexico for these deeply discounted bonds is only $1.86 billion. For this modest investment, Mexico will obtain collateral to back its own bond issue in the full $10 billion amount. The bond issue will enable Mexico to buy back a portion of its debt at discounted rates from banks willing to participate in the program. The ability to take advantage of discounted buy out opportunities will enable Mexico to retire a portion of its debt at an estimated 65 cents on the dollar.(21)

Together, these actions are positive indicators that Mexico is making progress in recovering from its economic crisis. In the process,

it is becoming more efficient, more competitive, and more sophisticated in dealing with its economy. The crisis has moved Mexico closer to the "front burner" status it deserves in US foreign policy and there is now far more understanding on both sides of the border that the economic interests of both nations are so inextricably intertwined that each has a vested interest in working for a stronger Mexican economy. Mexico's actions are clear signs that it is making progress in overcoming poor planning, unsatisfactory levels of corruption, and weak management. The United States can be expected to continue an active role in shoring up the Mexican economy while diplomatically pursuing greater efficiencies. A return to the levels of growth (six percent annually) enjoyed prior to the 1980s will be a long process--Mexico is a Third World country with all the problems inherent in that status. Nonetheless, progress has been sufficient and the Mexican people have shown the political resilience and patience to warrant an assessment that the economy will not generate a security crisis in the decade ahead.

Trade Relations

The magnitude of US-Mexican trade, now exceeding $30 billion annually, makes it an essential interest of both nations and a key to solving the debt problem previously discussed. Mexico normally ranks behind Canada and Japan as the third largest US trading partner (in 1986, it temporarily slipped to fourth based on low oil prices). The respective share of trade colors the relationship: 60 percent of Mexico's total trade is with the US, while our trade with Mexico amounts to approximately five percent of the US total. These facts underscore

how critical US trade is to Mexico, and also highlight a significant US stake in insuring the health of Mexican trade. Mexico has some built-in obstacles it must overcome to achieve a satisfactory trade balance. It has one dominant trading partner, an economy anchored by one commodity, and has only recently begun emphasizing production for export in lieu of focusing on import substitution. Petroleum products account for almost 70 percent of Mexico's total trade volume, making its economy particularly vulnerable to the fluctuations of the world oil market. It is our largest supplier of foreign petroleum, with shipments of 1.44 million barrels of crude oil a day, 45 percent of total US crude oil imports. Tourism is another major source of foreign exchange for Mexico, and over 80 percent of the tourists are from the United States. A growing source of foreign earnings is the assembly or manufacture of material shipped in-bond from the US. These US-owned maquiladora plants provide 250,000 jobs and accounted for $1.25 billion in Mexican exports in 1986. Together, tourism and in-bond production earned $2.5 billion for Mexico in that year.(22)

Improving the US-Mexican trade relationship has frequently been elusive for both parties. Peter H. Smith of Massachusetts Institute of Technology outlined the situation succinctly:

> The problem is that Mexico's main market is the United States, a country whose massive trade deficit (estimated at $130 billion in 1984) has fostered a new wave of protectionist sentiment. US businessmen have complained about unfair "export subsidies" by the Mexican government and demanded "countervailing duties," and US labor leaders have decried the consequent threats to employment. So Mexico faces a Catch-22: to pay the debt it needs to trade with the US, but the US often discourages such trade.(23)

The past three years have seen an effort on both sides to correct the difficulties Smith describes. In April 1984, the US and Mexico signed a bilateral trade agreement to resolve the export subsidy-countervailing duty controversy. Mexico agreed to limit subsidies on goods for export in exchange for US agreement not to impose countervailing duties against subsidized imports from Mexico, unless those imports are proven to injure US producers.(24) In other actions, Mexico has reduced import duties in an attempt to strengthen its domestic economic efficiency and has moved to sell government-owned enterprises in recognition that private operation offers greater performance potential. (The debt restructuring provisions discussed earlier were a significant incentive for this action.) It has also initiated steps to participate in the General Agreement on Tariffs and Trade (GATT), an action which will provide a standardized framework for conducting trade relations with the United States and other nations.(25) Mexico has also relaxed its stance on foreign investment in the hope of attracting development capital. This represents a change from firm adherence to restrictions first placed on foreign investment during the Echevarría administration.

In sum, the present leadership in Mexico, as well as the Reagan administration in Washington, have demonstrated a clear interest in improving trade relations. Less clear is whether political pressures in either nation will continue to allow trade to develop as market forces dictate, or whether protectionist sentiment will gain the upper hand. Since Carlos Salinas de Gotari, the 1988 PRI presidential candidate and President De la Madrid's designated successor, has been closely

associated with Mexican trade initiative in his capacity as Minister of Programming and Budget, the prospects for continuation of Mexican programs are good. Uncertain presidential succession in the 1988 US elections, along with continued concern over large US trade deficits, places the future of our policy in question. As with debt management, however, Mexico is demonstrating growing sophistication in managing trade. Continued expansion of US-Mexican trade is probable, with the long-term possibility of a free trade agreement similar to that recently signed by the US and Canada (assuming the Canadian-US agreement performs as forecast and remains politically viable). Such an agreement will have to be preceded by a strong economic recovery in Mexico, and greater confidence on the part of Mexicans that free trade would not constitute a threat to the Mexican economy or aggravate distribution of wealth disparities any further, a matter of great concern to leftist political elements.

Migration

Illegal immigration, closely tied to the economic conditions prevailing in Mexico, has long been a central issue in US-Mexican relations. Mexico's severe economic downturn has greatly increased the numbers of its citizens attempting to enter the United States. While this pattern is familiar and dates back to the 19th century, record numbers of attempted and successful illegal entries have aroused US fears that hordes of economic refugees will undermine employment opportunity for US citizens and create undue hardship for the state and municipal governments supplying them with essential services. And more

migrants appear intent on staying permanently in the US. Mexico, not surprisingly, is noncomittal about having hundreds of thousands of its citizens make their way to the United States, legally or otherwise. Such an outlet provides much needed relief to an economy straining to make ends meet, and migration does help satisfy US demands for low paying manual labor that is often rejected by American workers. For the United States, two questions regarding immigration are critical to determining any meaningful impact on the long-term security interests of this country: how extensive is the migration and does it, in fact, jeopardize our economic well being or internal political security?

Definitive data on the scope of Mexican migration to the US is illusive. The 1980 census found that 6.4 percent, or 14.6 million people identified themselves as Hispanic, and 60 percent of those were Mexican-American. That census also calculated that approximately two million illegal aliens resided in the US, the majority of whom were Mexicans. Those estimates have since been increased to "three to six million, two out of three ...from Mexico." The latter estimate indicates two to four million Mexicans illegally in the US. While estimates on total numbers of alien Mexicans vary, there is no question that the pressure for entry has risen dramatically. Apprehensions by the US Border Patrol show a 20-year upward trend, from 55,000 in 1965 to 1,265,054 in 1985.(26) Those figures indicate apprehensions only, and do not reflect that the same individual is frequently apprehended more than once before presumably making a successful crossing. Nonetheless, the data indicates that the number of illegal entries has risen at

alarming speed since the advent of Mexico's fiscal crisis, and at a pace that stretched US capabilities to comfortably cope with the problem.

Organized labor interests in the United States have steadily opposed the increase in foreign migration, and by the late 1970s prevailed on the Carter Administration to initiate changes in US immigration laws. Ensuing discussion in the Congress indicated a diversity of opinion that led President Carter to appoint a Select Commission on Immigration in 1978. The Commission's 1981 report used the Census Bureau estimates of three to six million illegal immigrants in the country. Release of the report was followed by introduction of legislation by Senator Alan Simpson and Representative Romano Mazzoli in March 1982. The Simpson-Mazzoli proposal called for increasing the strength of the Border Patrol, imposing sanctions on employers of illegal aliens, and granting amnesty to aliens able to document long-term residence in the United States. The bill did not pass in 1982 and various revisions, many dealing with the necessary term of eligibility for amnesty, were offered over the next four years. In the process, legislation introduced in the House by Representative Peter W. Rodino supplanted that of Rep. Mazzoli, and the Simpson-Rodino bill ultimately passed in 1986 as the Immigration Control and Reform Act. The act provides that illegal aliens able to document residence in the United States since January 1982 are eligible for amnesty. Those eligible obtain temporary legal residence, followed by permanant residence authorization after 18 months in temporary status. Further, the act establishes employer sanctions and authorizes Border Patrol

strengthening as envisioned in the original 1982 proposals. By December 1987, about one million illegal aliens were reported to have taken advantage of the amnesty program. As many as three million are estimated to be eligible. (27)

The Immigration Control and Reform Act may assist the US in controlling the Mexican border to an extent, but the tight enforcement envisioned by the Act's authors is doubtful in view of the disparity in the size of the Border Patrol and the numbers of potential illegals. In addition, the amnesty provision will certainly provide hope for similar treatment in the future for the thousands of Mexicans and others still hoping to enter the United States. The legislation may have had some political impact, but its practical effects are likely to be minimal. Former Governor Bruce Babbitt of Arizona summarized the effects:

> The amnesty grant...is an inducement to more immigration, for reasons that I think are pretty obvious. If you grant amnesty once, the American character is generous and repetitive and amnesty is a signal to all of those down there [Mexico] that there will be some more amnesty somewhere down the line. The employer sanctions would probably be a slight deterrent. I would guess the two would cancel each other out and the net effect would be zero.(28)

Continued migration is also predicted in a study by Douglas Massey and Felipe García España, who demonstrate that immigrants beget more immigrants. That is, successful immigrants form networks with family, friends, and acquaintances in Mexico who constitute potential immigrants. Networks lower the basic, opportunity, and social costs of becoming an immigrant, and thus serve as a strong pull factor.(29)

The issue is cultural as well as economic, since migration will have a major demographic impact on the US population, particularly in

the Southwest. Abraham F. Lowenthal, Executive Director of the Inter-American Dialogue, provides some specifics on the significance of this change.

> Latino students now outnumber non-Hispanic whites in the public schools of Los Angeles; by the end of the 1980s, the majority of public school students in four southwestern states are expected to be of Mexican descent. Even without additional immigration, the percentage of Latinos in the US population would grow, because their birthrate in considerably higher than the US mean. Early in the next century, Hispanic-Americans will probably become a majority in the work force of California. The Spanish-speaking community in the United States is already the world's fifth largest; by the end of the century, it is expected to become larger than Spain's and second only to that of Mexico.(30)

Assimilation of such a large group of Hispanic/Mexican immigrants is bound to be a difficult short-term adjustment for many states and municipalities in the United States. Recent movements in California and Texas to legislate English as the official language in schools and state government clearly indicate the intent of the majority to reject a Canadian-type bicultural accommodation in the areas with the heaviest influx of immigrants. These policies will undoubtedly help the process of "Americanizing" the immigrant population, but their ability to keep pace in light of population projections remains questionable. The Hispanic population in US is expected to increase from 16.9 million in 1985 to a figure between 19 and 22 million in 1990. By the year 2000, it will total 23 to 31 million, depending on whether low or high growth projection is used.(31) Approximately two-thirds of this population will be of Mexican descent.

As Hispanics become more prominent in the US population, their political power will be evident in increased congressional interest and

support for bilateral programs to strengthen cooperation and ties with Mexico. However, Hispanic political power will take time to mature; of 9.5 million of voting age as of the 1984 presidential election, only 40 percent registered and 32.6 percent voted.(32) In the absence of a dramatic increase in registration (likely with so many new immigrants), this percentage equates to 7.5 to 10.2 million Hispanic-descent voters in the year 2000. That is about one half the projected Black vote, although Hispanics are slowly closing the gap on the Black population, and should become the nation's largest minority group by approximately 2015.

Population projections, despite the current dramatic increases in attempted illegal entry on the Mexican border and short-term absorption problems, suggest that "hordes" of new immigrants feared by some in the US amount to a "red herring." Clearly the migration constitutes a significant management problem, especially in the Southwest, but close scrutiny indicates the flow of immigrants is not the drain on the public purse that it is frequently thought to be. A 1985 Los Angeles County study found that illegal immigrants paid more than $3 billion in taxes than they took in public services.(33)

Although Mexican immigration will impact the US social structure and therefore merits close monitoring, immigration controls, imperfect as they are, will be maintained at a level adequate to prevent an immigrant labor force from undermining the US economy or causing a major social upheaval. Migration does not pose a security risk for the US or threaten the stability of Mexico.

Illegal Drugs

An increase in drug trafficking through Mexico is one of the most pervasive and heated issues between the United States and Mexico in the 1980s. Mexican enforcement practices have been widely criticized by US government officials as insufficient and tainted by corruption. The Mexican government claims it is making a concerted effort against production and trafficking, devoting all the resouces it can afford to the problem. In addition, Mexico justifiably asserts that it is hampered in reducing the drug supply as long as demand remains so high in the United States. The matter has been a major agenda item at annual meetings between President Reagan and President De la Madrid. Despite their attention, the situation is not improving, as indicated by statements at the recently concluded Mazatlan summit meeting (13 Feb 1988). De la Madrid complained that Mexico's efforts "are still not appreciated to their full extent" and are the target of "disinformation." Reagan reportedly told De la Madrid that Mexico had been cooperative, but urged him to work harder.(34) Mexico is the largest supplier of heroin, marijuana, and illegal amphetamines to the United States. It is also a major distribution center for cocaine originating in South America; approximately a third of the heroin and marijuana reaching the US originates in Mexico.(35) These statistics prevail despite a cooperative drug eradication program sponsored by the attorney general offices in both nations. The program includes aerial crop eradication and Mexican military personnel in the effort.

Official US frustration over lack of progress in the anti-drug campaign has led to some divisive diplomatic dialogue. Open forum accusations such as the following by Assistant Secretary of State for Inter-American Affairs Elliott Abrams have increased, much to the consternation of Mexican officials.

> "President De la Madrid does not have the same ability, as President Reagan does, to push a number of buttons [to solve the trafficking problem] because behind the buttons that you would want to push from the Presidential Palace in Mexico City you will find corruption. You will find people who do not want to carry out those orders."(36)

In the same hearings, William von Raab, Commissioner of the US Customs Service, alleged corruption by Mexican law enforcement officials charged with drug eradication duty and indicated that marijuana and opium poppies were grown on four ranches owned by the governor of the Mexican State of Sonora. US Ambassador John Gavin later repudiated von Raab's implication of the governor. Statements like these, accurate or not, are the basis of President De la Madrid's complaints of misinformation. They also fail to give credit for the sacrifices made by Mexico, which include loss of life in its drug enforcement force, and create a Mexican diplomatic defensivness that is nonproductive in reaching solutions. In fact, however, official corruption is a problem in Mexico, and drug trafficking on top of a weak economy has aggravated the situation. Traffickers have been linked to the Columbian-based Medellin drug cartel and have elevated the financial incentive for poorly paid local law enforcement and military officials to "look the other way" where drug operations are concerned. In the US view, this factor was instrumental in a ponderous and largely ineffective Mexican investigation of the 1985

Guadalajara murder of US Drug Enforcement Agency agent Enrique Camerena. Moreover, US Customs officials have complained that drug-running planes and personnel can depend on sanctuary in Mexico.(37)

Drug trafficking poses a definite security threat to both Mexico and the United States. The enormous profits available to traffickers are capable of increasing corruption to a point where it is extremely well entrenched and difficult to eradicate. This may launch a chain reaction in which public confidence in government is undermined to the point of poliitical collapse, with the potential for movement to the extremes of the political right or left in the aftermath. Such a scenario is currently at work in Columbia, with the Medellin drug cartel financing the Marxist M-19 guerrilla movement. Accordingly, continued US diplomatic and financial resources are essential to assist Mexico in forestalling such a development.

Foreign Policy

Mexican foreign policy is based on the principles of nonintervention and respect for national sovereignity. Adherence to these principles has frequently placed Mexico in opposition to US foreign policy--for example, it opposed the US-engineered overthrow of the Arbenz government of Guatemala in 1954 and was the only member of the Organization of American States to recognize Cuba after the Castro revolution. Until the 1970's, however, Mexico played a low-profile role in world affairs. President Luis Echeverría, motivated by a desire to expand economic opportunities, gain economic independence from the US, and appeal to the domestic left in Mexico, initiated a more active

Mexican foreign policy. Bolstered by the discovery of new oil and the promise of increased importance for Mexico, Echeverría travelled the world leaving frequent criticisms of "US imperialism" in his wake. His successor, López Portillo, toned down the rhetoric, but continued to stake out a foreign policy that sought an increased regional role for Mexico and continued independence from US positions. Support and recognition were extended to the Sandinistas in Nicaragua and the Farabundo Marti Liberation Front (FMLN) in El Salvador, actions directly opposed to US policy. That legacy has been continued in the De la Madrid administration, with the 1983 initiation of the Contadora peace process marking a significant move by Mexico to substitute a regionally sponsored diplomatic solution to the civil strife in Nicaragua and El Salvador in place of what it viewed as a more strident, military oriented solution sponsored by Washington. With a political center more to the left than that of the United States, Mexico is far less vocal about the dangers of Communism in the Western Hemisphere. Some of that silence is undoubtedly part of the process of co-opting the Mexican left (38).

Alternative views are also at work, however, as demonstrated by the official response to Guatemalan refugees on the southern border of Mexico. The Ministry of Defense, apparently concerned that these refugees from Guatemalan military sweeps against leftist guerillas will transfer revolutionary actions to Mexico, has insured the Mexican Army assists immigration authorities in deporting them. In doing so, it has worked at cross purposes with the Interministerial Commission on Aid to

Refugees, an *Interior Ministry* agency charged with meeting refugee needs. Gabriel Marcella, Director of Regional Appraisals at the US Army War College, assessed Mexican concern over insurgency:

> The spillover potential of international conflict in Central America, especially the possibility of a militarized communism in Nicaragua, gravely concerns Mexican leaders, not only because it brings the East-West conflict much closer, but also because of the potentially destabilizing impact upon domestic Mexican politics, particularly in the contiguous southern region.(39)

Marcella's comments and Mexican actions on its Guatemalan border suggest that Mexico's true foreign policy orientation may be closer to that of the United States than indicated by its public pronouncements. Official acknowledgement of a bilateral foreign policy consensus with the US, however, is unlikely in the near term. Mexico's foreign policy objective will continue to be regional leadership in Central America, with official recognition of its role by the US.

Political Stability

Mexico faces some formidable challenges in its effort to develop its potential. If it is to succeed, political stability is essential. Pressure on the government for results is mounting, and failure to produce will be destabilizing to a Mexican political system that, despite occasional disagreements and irritating rhetoric, has generally been beneficial for the United States. The ruling Institutional Revolutionary Party (PRI) is struggling to handle an increasingly complex economic environment and maintain the overwhelming support it has enjoyed since 1929. Slow progress has meant a decline in living standards for millions of Mexicans and many now question the party's

ability to move Mexico in a positive direction. The party has survived to this point by successfully co-opting major segments of Mexican society, most notably the media, labor, the political left, the military, and a substantial portion of private business. All post-revolutionary governments have carefully structured their programs to insure that each of these groups perceived the PRI as the most stable of available alternatives. The party will retain the support of these groups in repayment for carefully playing to their interests for the past half century. The PRI, as the political arm of the government, is still an effective path to power and influence in a culture that values special influence and incorporates nepotism. The PRI has retained the loyalty of the majority of Mexicans in part because the government has applied its resources to subsidies that have kept the price of food and transportation below market values. It has conducted a vocal, if largely symbolic, foreign policy that stresses independence from US policy and therefore has strong appeal to Mexican nationalism, and it has kept pay raises frequent enough to mollify labor interests. The loyalty of the small Mexican military, essentially an internal security force, has been maintained through favorable pay and ammenities and retention of a "stake in the system" through the practice of allowing military officers to hold elective office.(40) The government's heavy participation in a mixed economy has made it by far Mexico's largest employer.

The economy, however, has limited the government's ability to continue playing such a direct role in the lives of so many Mexicans.

Evidence of fiscal mismanagement, poor planning, and graft have eroded public confidence. In view of a declining public consensus, the PRI has been increasingly challenged by Mexico's second largest party, the National Action Party (PAN), a conservative organization with its greatest strength in Northern Mexico and among the business class. Its national prospects are currently weak: "The rightist PAN ...is rent with internal philosophical and leadership disputes and lacks the kind of national base, at this stage, which could enable it to supplant the PRI." (41) Although PAN has seriously challenged for mayoralities in Northern Mexico and mounted challenges for governorships of northern states, its pro-US, pro-business focus does not yet have the broad appeal necessary to unseat the PRI as Mexico's dominant party. Similarly, parties on the left are weak challengers because they lack popular appeal and unified organization. Alan Riding's analysis in instructive: "(Mexican) leftists traditionally turn on each other in frustration over their ineffectiveness in the rest of society."(42)

For the PRI to retain its leadership, progress must be made on several fronts. First, it must champion sound fiscal policy and careful planning. Mexico cannot afford to make speculative public investments like López Portillo's Global Development Plan the moment its financial picture improves slightly, and it must guard against overheating its economy in an attempt to make up lost financial opportunity too quickly. Another key element for recovery is enhanced government efficiency. Nationalized industry must be considerably reduced to meet this objective. Increased privatization of the nation's productive base

needs to be accompanied by a corresponding reduction of the bureaucracy presently in place to manage government-owned enterprises. Continued privatization of the industrial base and the Mexican banking system that was nationalized by López Portillo will improve investor confidence.

Second, the PRI must keep the left divided and off balance by becoming the party of choice for the huge underclass that has been accumulating to make Mexico City the world's second largest city. The rapid growth of this large group is a potential source of political unrest. PRI support for an enhanced market economy, along with reasonable distribution-of-wealth legislation that will not alienate the business class, will help stimulate the new jobs needed to accommodate this population and pull it toward the mainstream. Similar effort must be made in the economically depressed southern tier near Guatemala.

Third, the PRI must acquiesce to a legitimate democratic electoral process, even at the expense of introducing greater pluralism into the system. The opposition parties are divided and strong only in regional pockets, and thus not likely to make serious inroads to PRI dominance for the next decade. The transition to a multiparty system will continue with isolated periods conspicuous struggle, but the fundamentally democratic outlook developed out of the electoral tradition of the past 50 years will remain intact.

Conclusion

Focus on Mexico's financial ills has increased debate on the best course for the United States to follow in developing the US-Mexican relationship. Assessment of the threat to the US from Mexican problems

varies from virtually nil to eminently dangerous. One observer's view is that there is "tension in every major area of the bilateral relationship."(43) Another blames US overreaction for a substantial portion of that tension and points out that "a fair reading of the situation suggests that the apocalyptic readings of Mexico are vastly overdrawn."(44) Regardless of perspective on the gravity of the situation, the record clearly indicates that Mexico deserves a more prominent and consistent place on the US foreign policy agenda. US conduct of relations with Mexico is not a cohesive process, but instead is one fragmented among many government agencies and officials. All too frequently, US inputs do not adequately recognize Mexican financial or political limitations, and overlook cultural differences so that they are seen as sanctimonious by the Mexicans. The United States can expect resistance to any overt attempts to recast Mexico in its own image. That dictates the need for greater awareness of Mexican culture and more understanding of the Mexican political system on the part of US policymakers. In formulating economic and foreign policy in the future, we must recognize that a financially devastated and chaotic Mexico would strongly interfere with our ability to maintain an East-West balance. The long-term security threat from Mexico thus hinges on economics. Militarily, Mexico appears secure, with no external threat and a fragmented Left that has not been able to muster broad popular support internally. Military assistance programs from the United States are not required, and should be avoided unless requested by Mexico's civilian leadership. Such programs run the risk of strengthening the military at

the expense of destabilizing Mexico's political balance. The United States must cultivate a partnership role with Mexico emphasizing the economic, political, and psychosocial instruments of national power. We must work with Mexico, fully recogizing its equality as a sovereign nation, to build a relationship of trust and understanding parallel to that we enjoy on our northern border with Canada.

Is Mexico the ultimate domino? Perhaps, but its tenacity in dealing with its fiscal problems, the resilience of its people, and its proximity to the United States all indicate it will remain a domino that will not fall.

NOTES

1. Richard D. Erb and Stanley R. Ross, ed., US Policies Toward Mexico: Perceptions and Perspectives (Washington, D.C.: American Enterprise for Public Policy Research, 1979), p. 9.

2. U.S. Congress, Senate, Armed Services Committee, Hearings on DoD Authorization for FY 1985. 98th Cong., 2d sess. (Washington, D.C.: Congressional Index Service, S201-38.4, 1984), p. 1145.

3. U.S. Congress, Senate, Armed Services Committee, Hearings on DoD Authorization for FY 1986. 99th Cong., 1st sess. (Washington, D.C.: Congressional Index Service, S210-32.1, 1985), p. 1248-49.

4. U.S. Department of State/Department of Defense, The Challenge to Democracy in Central America (Washington, D.C.: Government Printing Office, October 1986), p. 65.

5. Erb/Ross, p. 15.

6. Ibid., p. 23.

7. Ibid., p. 13.

8. Alan Riding, Distant Neighbors, (New York: Alfred A. Knopf, 1985).

9. Robert E. Looney, "Mechanism of Mexican Economic Growth: The Role of Deteriorating Sources of Growth in the Current Economic Crisis." Journal of Social, Political and Economic Studies 112 (Spring 1987):78-93.

10. Alan Riding, p. 143.

11. James A. Street, "Mexico's Development Crisis," Current History, March 1987, p. 102.

12. Riding, p. 155.

13. Street, p. 102

14. Riding, p. 149.

15. Street, p. 103.

16. Ibid.

17. Latin American Regional Report: Mexico and Central America, 18 February 1988, p. 4; U.S. Department of State, Bureau of Public Affairs, Background Notes: Mexico, (Washington, D.C.: Government Printing Office, December 1985), p. 1.

18. Street, p. 104.

19. Latin American Regional Report: Mexico and Central America, 18 February 1988, p. 4.

20. Latin American Weekly Report, 7 January 1988 and 24 March 1988, p. 2.

21. David Pauly, Rich Thomas, and Joseph Contreras, "Defusing the Debt Time Bomb," Newsweek, 11 January 1988, p. 38; Latin American Regional Report: Mexico and Central America, 18 February 1988, p. 5; "Borderline Economics," The New Republic, 25 January 1988, p. 7.

22. U.S. Department of State, "US-Mexican Relations," Gist, December 1987; Background Notes: Mexico, p. 7; Energy Information Administration, "World Petroleum Supply and Disposition," International Energy Annual, 1986 (Washington, D.C.: 1987), p. 30; U.S. Congress, House and Senate, Committees on Foreign Affairs and Foreign Relations respectively, Twenty-Sixth Mexico-United States Interparliamentary Conference: Background Materials for U.S. Delegation. Joint Committee Print, (Washington, D.C.: Government Printing Office, May 1986), p. 129.

23. Peter H. Smith, "U.S.-Mexican Relations: The 1980s and Beyond," Journal of Interamerican Studies and World Affairs, 27 (February 1985): 94.

24. "Troubled Mexico," Editorial Research Reports, 8 November 1985, p. 854.

25. Twenty-Sixth Interparliamentary Background Material, p. 5..

26. "America: Moving Toward the 21st Century,"Editorial Research Reports, 15 March 1985; 25 November 1985, p. 849; Riding, p. 330.

27. Riding, p. 329-33; Gist, p. 1.

28. U.S. Congress, Senate, Committee on Foreign Relations, Situation in Mexico, Hearings before the Subcommittee on Western Hemisphere Affairs. 99th Cong., 2d sess., May-June 1986 (Washington,D.C.:Government Printing Office, 1986), pp. 108-9 .

29. Douglas S. Massey and Felipe García España, "The Social Process of International Migration," Science, 14 August 1987, p. 733-38.

30. Abraham F. Lowenthal, "Rethinking US Interest in the Western Hemisphere," Journal of Interamerican Studies and World Affairs 29 (Spring 1987):13.

31. U.S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States, 107th ed.(Washington, D.C.: Government Printing Office, 1987), p. 16.

32. Ibid., p. 244.

33. William L. Chaze, et. al., "Can the Trek to El Norte be Curbed?" U.S. News and World Report, 19 January 1987, p. 23.

34. Montgomery (Alabama)Advertiser, 14 February 1988.

35. Twenty-Sixth Interparliamentary Background Material, p. 230; Situation in Mexico Hearings, p. 13.

36. Situation in Mexico Hearings, p. 26.

37. Ibid., p. 9.

38. Riding, Chap. 4.

39. Gabriel Marcella, "Defense of the Western Hemisphere: Strategy for the 1990s," Journal of Interamerican Studies and World Affairs 27 (Fall 1985):17.

40. Franklin G. Margiotta, "Changing Patterns of Political Influence: The Mexican Military and Politics," paper presented at the annual meeting of The American Political Science Association, New Orleans, 1973, p. 24.

41. Sally Shelton Colby and Marshall Lee Miller, "The Volcano Down Below,"Armed Forces Journal International, June 1986, p. 99.

42. Riding, p. 106.

43. Situation in Mexico Hearings, p. 163.

44. Ibid., p. 155.

BIBLIOGRAPHY

"America: Moving Toward the 21st Century." Editorial Research Reports, 15 March 1985, pp. 191-212.

Bogdanowicz-Bindert Christine A. "World Debt: The United States Reconsiders." Foreign Affairs 64 (Winter 85/86): 259-286.

"Borderline Economics." The New Republic, 25 January 1988, pp. 7-9.

Castaneda, Jorge G. "Mexico at the Brink." Foreign Affairs 64 (Winter 85/86): 287-303.

Chaze, William L. et al. "Can the Trek to El Norte Be Curbed?" U.S. News and World Report, 19 January 1987, pp. 22-26.

Colby, Sally Shelton and Miller, Marshall Lee. "The Volcano Down Below." Armed Forces Journal International, June 1986, pp. 86-98.

Energy Information Administration. International Energy Annual, 1986. Washington, D.C.: Government Printing Office, 1987.

Erb, Richard D. and Ross, Stanley R., eds. U.S. Policies toward Mexico: Perceptions and Perspectives. Washington, D.C.: American Enterprise Institute for Public Policy Research, 1979.

Fagan, Richard R. and Pellicer, Olga. The Future of Central America: Policy Choices for the U.S. and Mexico. Stanford, CA: Stanford University Press, 1983.

Latin American Regional Report: Mexico and Central America, 14 January; 18 February; 17 and 24 March 1988.

Latin American Weekly Report, 7, 14, 28 January; 25 February; 3, 10, 17 and 24 March 1988.

Levy, Daniel C. "The Mexican Government's Loosening Grip?" Current History, March 1987, p. 113ff.

Looney, Robert E. "Mechanism of Economic Growth: The Role of Deteriorating Sources of Growth in the Current Economic Crisis." Journal of Social, Political, and Economic Studies 112 (Spring 1987): 77-93.

Lowenthal, Abraham F. "Rethinking U.S. Interests in the Western Hemisphere." Journal of Interamerican Studies and World Affairs 29 (Spring 1987): 1-19

Marcella, Gabriel. "Defense of the Western Hemisphere: Strategy for the 1990s." Journal of Interamerican Studies and World Affairs 27 (Fall 1985); 1-25.

Margiotta, Franklin D. "Changing Patterns of Political Influence: The Mexican Military and Politics." Paper presented at the annual meeting of the American Political Science Association, New Orleans, 1973. (Mimeographed).

Massey, Douglas S. and García España, Felipe. "The Social Process of Migration." Science, 14 August 1987, pp. 733-38.

Milton, Gen. (ret.) T.R. "Our Distant Neighbor." Air Force Magazine, August 1987, pp. 58-64.

Montgomery (Alabama) Advertiser, 14 February 1988.

Pauly, David; Thomas, Rich; and Contreras, Joseph. "Defusing the Debt Time Bomb." Newsweek, 11 January 1988, p. 38.

Riding, Alan. Distant Neighbors. New York; Alfred A.Knopf, 1985.

Sanders, Sol W. "Threat from Mexico." Conflict 7, no. 1: 45-64.

_____. "Mexican Immigration: Specter of a Fortress America." Strategic Review 14 (Winter 1986): 30-38.

_____. "Crisis Looms Down Mexico Way." Pacific Defense Reporter, April 1987, p. 51-54.

Scruggs, LtCol. Hugh, Jr. "National Security Policy: Mexico," U.S. Army War College Military Studies Program Paper, Carlisle Barracks, PA, April 1986.

Shapiro, Samuel, ed. Cultural Factors in Inter-American Relations. Notre Dame, IN: University of Notre Dame Press, 1968.

Schroeder, Richard C. "Mexican Uncertainities." Editorial Research Reports, 25 November 1986.

_____. "Soviet's Latin Influence." Editorial Research Reports, 6 March 1987, pp. 102-111.

Smith, Peter H. "U.S. Mexican Relations: The 1980s and Beyond." Journal of Interamerican Studies and World Affairs 27 (February 1985); 91-101.

Street, James H. "Mexico's Development Crisis."Current History, March 1987, pp. 101f.

"Troubled Mexico." Editorial Research Reports, 8 November 1985. pp. 843-60.

U.S. Department of Commerce, Bureau of the Census. Statistical Abstract of the United States, 1987. 107th ed. Washington, D.C.: Government Printing office, 1987.

U.S. Congress. House and Senate. Committees on Foreign Affairs and Foreign Relations respectively. Twenty-Sixth Mexico-United States Interparliamentary Conference: Background Materials for U.S. Delegation Use Only, Joint Committee Print. Washington, D.C.: Government Printing Office, May 1986.

U.S. Congress. Senate. Armed Services Committee. Hearings on Department of Defense Authorization for Appropriation, Fr 1985, part 2. 98th Cong., 2d sess. Washington, D.C.: Congressional Index Service, S201-38.4, 1984.

_____. Hearings on Department of Defense Authorization for Appropriation, FY 1986, part 3. 99th Cong., 1st sess. Washington, D.C.: Congressional Index Service, S201-32.1, 1985.

U.S. Congress. Senate. Committee of Foreign Relations. Situation in Mexico. Hearings before a subcommittee on Western Hemisphere Affairs, 99th Cong., 2d. sess. Washington, D.C.: Government Printing Office, 1986.

U.S. Department of State, Bureau of Public Affairs. Background Notes: Mexico. Washington, D.C.: Government Printing Office, December 1985.

_____. "U.S.-Mexican Relations." Gist, December 1987.

U.S. Department of State/Department of Defense. The Challenge to Democracy in Central America. Washington, D.C.: Government Printing Office, October 1986.