

Bridging the Border

Transforming Mexico–U.S. Relations

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For Sofia Elena and Rodrigo

Chapter 9

Mexico's New Foreign Policy: States, Societies, and Institutions

Jorge I. Domínguez

"Yes, yes, yes: how fortunate that our ideals coincide with our interests," Carlos Fuentes's Artemio Cruz recalled on his deathbed, once having spoken mendaciously to his U.S. partner (Fuentes 1964: 112). Feelings of joint interests, hopes, and deceit have long coexisted in U.S.-Mexican relations, defining the varied connections between the two countries. Those themes persist as the twentieth century ends, while the United States and Mexico ponder why the hoped-for Mexican miracle of the early 1990s was so short-lived and whether the ideals and the interests of the partners were incompatible and the truth-telling well-short of the standards of partnership.

And yet, much did change in U.S.-Mexican relations in the 1980s and 1990s. Consider just some economic examples. Mexico's exports of goods (including in-bond industries, or *maquiladoras*) nearly doubled from 1986 to 1990, and by the end of 1993 they again increased by over a quarter above the 1990 level. This growth reaped the gains from the wrenching reorganization of the Mexican economy after the 1982 financial collapse and from the associated reshaping of Mexico's international trade policy, including Mexico's adherence to the General Agreement on Tariffs and Trade (GATT).¹ The rate of Mexico's export growth, moreover, accelerated on the eve of, and immediately after, the enactment of the North American Free Trade Agreement (NAFTA). Mexico's

exports surged by 12.3 percent in 1993, 17.3 percent in 1994 (NAFTA's first year), and 33.2 percent in 1995, aided in this last case by a sharp devaluation of the peso (Inter-American Development Bank 1995: 288; Economic Commission for Latin America and the Caribbean 1995: 55). Mexican trade, long concentrated overwhelmingly on the U.S. market, became even more focused on the United States during these years. As Jorge Chabat notes in his chapter, two-thirds of Mexico's exports went to the United States in 1988 but three-quarters did so in 1994. Similarly, Mexico was awash in the waves of international capital flows (at times it felt like a drowning). The net transfer of resources to Mexico was nearly \$51 billion in 1991-1993 and about negative \$30.5 billion in 1994-1995 (Economic Commission for Latin America and the Caribbean 1995: 62); that is, Mexico received a large inflow of funds in 1991-1993 and suffered a large outflow of funds in the two years that followed. This financial relationship, too, was particularly intense with the United States.

This book² is concerned with yet another change in the 1980s and especially in the early 1990s: the deliberate effort by the government of Mexico to influence the U.S. government to change its policies toward Mexico and, in so doing, to facilitate and speed up the economic changes noted above. This change in Mexican policy is noteworthy principally because, as Chabat's chapter makes clear, the Mexican government had long adopted a foreign policy of abstention from engagement in the major international issues of the day, and it preferred legalism as its principal procedure for the conduct of its foreign policy.³ Mexico's new foreign policy sought to persuade the United States that, at long last, Artemio Cruz was right: their interests and ideals coincided.

U.S.-Mexican relations have never been limited exclusively to the inter-governmental arena, despite some of the Mexican government's efforts over the years to control such relations. Instead, the relations between the two countries have long engaged ordinary citizens, large business firms, and varied kinds of governmental and nongovernmental organizations. How might we assess, therefore, the composite effect of the actions of many actors, in addition to the Mexican government, as they seek to influence the U.S. government in its policies toward Mexico?

Finally, these Mexican efforts to change U.S. policy necessarily had many and varied effects upon Mexico. Mexican policy favored the free movement of labor and capital, of goods and people. Though the Mexican government focused its attention on the U.S. government, the consequences of liberalized trade, widespread migration, and larger capital flows contributed to reshape Mexico itself.

This chapter will argue that state-based explanations help to shed light on many of the most salient features of Mexican foreign policy and of U.S.-Mexican relations. Neorealism explains the contours of interstate relations; presidentialism, neorealism's foreign policy-making counterpart, in turn, serves to explain the pattern of decisions at key moments in both governments. Presidentialism

explains well the principal decisions with regard to NAFTA in the two countries, and the epochal change in each country's policies toward the other in the late 1980s and early 1990s.

Society-based explanations necessarily supplement state-based explanations. Millions of Mexicans have moved from one country to the other independent of the wishes of both governments. Their behavior has placed a key item on the binational agenda and constrained the capacity of both governments to deal with each other. Society-based explanations also illustrate the capacity of Mexican Americans to influence their communities of origin in Mexico. A different society-based explanation calls attention to the patterns of social class contact and experience between the United States and Mexico. The beliefs of elites in the United States and Mexico have converged, facilitating international cooperation, but the beliefs of nonelites have not, thereby deepening intranational conflict concerning U.S.-Mexican relations.

Finally, institutionalist explanations help to account for Mexico's relative success in raising the profile of its own agenda in Washington, D.C. They also unravel why and how Mexico has had to transform its own institutions charged with relations with the United States, permitting and encouraging more public agencies and private actors to become involved. And Mexico has also felt compelled to contribute to the creation of new international institutions to cushion and to channel the new U.S. influence in Mexico.

State-based Explanations

In the scholarship about international relations, so-called neorealist approaches insist that the most important actors in world politics are states, that their behavior is rational, and that states seek power and calculate their interests in terms of power in the face of an international system that lacks effective centralized authority, i.e., interstate anarchy.⁴ States seek to balance against the one among them that might seek hegemony. Neorealist theories of international relations insistently eschew discussions of the process of foreign policy making and stay away from considering intersocietal relations.

Nonetheless, neorealism fits well with an approach to the study of foreign policy making that emphasizes the centrality of the president. Presidents seek to endow their governments with rational coherence: they choose cabinet ministers and their principal subordinates, they define their roles, and they set the rules whereby they may relate to one another (Krasner 1972). Presidentialism, consequently, is the policy-making face of neorealism.

The long-term pattern of U.S.-Mexican relations is consistent with a neorealist interpretation of Mexico's international relations and, more specifically, with a presidentialist approach to the making of foreign policy. In the nineteenth century and the early twentieth century, Mexico actively sought

to balance the power of the United States in the Americas. After World War II, however, Mexico lacked the resources to confront the United States across all issue areas and, instead, balanced against the United States only on some key issues while bandwagoning on the rest. Mexico came to behave according to a pattern classically summarized by Ojeda: "The United States recognizes and accepts Mexico's need to dissent from U.S. policy in everything that is fundamental for Mexico, even if it is important but not fundamental for the United States. In exchange Mexico cooperates in everything that is fundamental or merely important for the United States, though not for Mexico" (1976: 93).

In our book, Alan Knight's chapter notes Mexico's delicate balancing against the United States on such important issues as international petroleum policy or relations with Cuba's revolutionary government. More generally, however, Knight argues that Mexican and U.S. politics have tended to march roughly in step throughout the twentieth century, certainly since the 1930s. Presidents of the respective countries, such as Franklin Roosevelt and Lázaro Cárdenas, Dwight Eisenhower and Adolfo Ruíz Cortines, Lyndon Johnson and Gustavo Díaz Ordaz, and George Bush and Carlos Salinas de Gortari, exemplify the extent of what Knight calls the fundamental though qualified congruence between Mexico and the United States. (The congruence is qualified because there were, of course, important differences as well.) The reason for this congruence has been Mexico's limited ability to play other international roles—exactly what Mario Ojeda's adaptation of realism to the Mexican case would lead us to expect.

Historically, Chabat reminds us, Mexico's traditional foreign policy was quite effective: not since the 1920s has there been a serious risk of U.S. military intervention in Mexico.⁵ And after its revolution, Mexico was able to pursue a foreign policy that gradually widened the country's scope of action in international affairs (González 1989).

To behave rationally and coherently in the international system, Mexican foreign policy making rested firmly in the hands of the executive branch and, ultimately, in a highly centralized and powerful presidency. Explicitly or implicitly, all the authors in this book agree that the decision to seek NAFTA and to align broadly with the United States was made by President Carlos Salinas. Despite misgivings or opposition, one president—though building on the initiatives of his predecessor, Miguel de la Madrid—could reorient Mexican policy dramatically.

Interestingly, as Todd Eisenstadt and Jesús Velasco make clear, the Salinas de Gortari administration's diagnosis of the U.S. political system led it to emphasize a much more plural approach toward the United States, implicitly believing that presidentialist explanations did not apply equally well to the making of U.S. foreign policy.⁶ Mere reliance on Mexico's traditional executive-to-executive relations, Salinas administration officials believed, would not suffice to advance Mexico's general interests in the United States or, in particular,

NAFTA's ratification by the U.S. Congress. George Bush had been defeated for reelection shortly after NAFTA's signing, and Bill Clinton seemed at first interested in everything except what occurred beyond the boundaries of the United States.

It was wise, and long overdue, for Mexican officials to develop a more sophisticated perspective on U.S. government decisionmaking. And yet, Eisenstadt argues accurately that NAFTA's passage through the U.S. Congress, in the end, would have been impossible without President Clinton's sustained commitment to its enactment and willingness to trade favors for votes to obtain the final segments of support for approval of this comprehensive trade treaty. A key explanation, therefore, for the signing and ratification of NAFTA was presidential initiative and commitment in both countries. Presidentialism, the policy-making counter-face of neorealism, imparted rationality and coherence to the process of U.S. policy decisions concerning Mexico once the NAFTA debate was cast as a crisis in U.S.-Mexican relations.⁷

Presidentialist explanations, moreover, shed considerable light on the workings of institutions associated with NAFTA's enactment. Edward Williams's chapter explores the context and relations around the North American Agreement on Labor Cooperation (NAALC), an agreement associated with NAFTA thanks to the Clinton administration's initiative. Williams points out that, notwithstanding its name, the agreement features very little cooperation between labor unions in the two countries; on the contrary, relations between the principal union federations have been adversarial.

The NAALC, Williams also notes, is state-centered. The original plaintiff may be a labor union, but its standing formally disappears once the complaint is adopted by its government and is pursued within the context of the NAALC. At that point, the actors become the government officials, not the labor unionists. The NAALC, consequently, is best understood as an example of the power of statist, not institutionalist or society-based, explanations.

In short, state-based explanations go a long way to explain past and current patterns evident in U.S.-Mexican relations when there are high stakes, including the main changes in Mexican foreign policy in the 1980s and 1990s. Neorealism, as modified in the particular Mexican case, captures well some key features of Mexico's international behavior. Presidentialism, neorealism's policy making counterpart, explains effectively both Mexico's decision to reorient its relations with the United States and NAFTA's final enactment in both Mexico and the United States. State-based explanations define well even the characteristics of some institutions created by NAFTA.⁸

Society-based Explanations

This book's chapters strongly demonstrate the insufficiency of state-based explanations to comprehend the long-term patterns and the recent changes in

U.S.-Mexican relations. There are two broad society-based explanations. The first stems from the movement of Mexicans to the United States over time. Millions of people have acted independently of state preferences over long periods of time; their behavior has also constrained the capacity of states to deal with each other over various issues. The second explanation derives from the pattern of social-class-tinged experiences that affect participants in U.S.-Mexican relations. In the 1980s and especially in the 1990s, there has been a convergence of beliefs between the elites of the United States and Mexico, but there has been little convergence among nonelites. This helps to explain intergovernmental collaboration and intranational conflict in U.S.-Mexican relations.

Millions of people of Mexican origin or ancestry live in the United States, and have done so since the boundary between the two countries "migrated" northwards in 1848. During the two world wars and the Korean War in the twentieth century, the United States and Mexico made special arrangements to foster temporary Mexican migration to the United States to replace the U.S. workers who had gone off to war: the *bracero* agreements born during World War II and continued, with variations, until 1964. These intergovernmental agreements fit state-based explanations, of course. Mexicans did not behave solely according to those agreements, however. Many temporary workers stayed indefinitely. Others migrated without regard for the laws of either country. By the early 1990s, the U.S. Bureau of the Census reported that over six million people lived in the United States who were born in Mexico. In the 1990s, immigration is one of the more divisive political issues in the United States and one of the more contentious between the Mexican and U.S. governments.

Rodolfo de la Garza's chapter shows some of the consequences of inter-societal relations. He notes the connections between migrants in cities in the United States and their home communities. The migrants, he reports, send not only funds but also seek to exercise their influence to reshape their home communities. Migrants in the United States also represent a market for Mexican exports. De la Garza mentions several Mexican export drives specifically targeting Mexican consumers in the United States; he also records some efforts, albeit limited, to develop business relationships between Mexican and Mexican American firms.

Intersocietal relations also limit government policy. For example, de la Garza explores the Mexican government's hopes to change U.S. immigration policies. The Mexican government favors increased legal migration, opposes crackdowns on illegal immigration, and supports the full participation of Mexican immigrants, regardless of their legal status, in U.S. social welfare programs. The Mexican government would surely wish to have the support of Mexican Americans in persuading the U.S. government but, de la Garza informs us, for the most part this is not the case.

Mexican Americans agree with the Mexican government regarding allowing legal and undocumented immigrants to participate in social services. The

majority of Mexican Americans, however, have favored reducing the number of legal immigrants entering the United States and support wider efforts to prevent illegal immigration (in the latter two cases, support is stronger the closer one lives to the U.S.-Mexican border). In fact, de la Garza observes that California Latinos were divided over the wisdom of the referendum question, Proposition 187, until the debate increasingly took on an anti-Mexican tone; only then did Mexican Americans turn out strongly against this anti-immigrant measure.

Clearly Mexican Americans do not represent a ready-made lobby for the Mexican government in the United States even on issues that would seemingly bring Mexican Americans and the Mexican government closer together. In fact, in other work, de la Garza has shown that Mexican Americans have held views that are highly critical of the Mexican government and political system (de la Garza et al. 1992). Intersocietal relations limit the capacity of the Mexican government to influence the United States and legitimate U.S. policies contrary to those of the Mexican government, while they empower Mexican-origin peoples in the United States to affect their communities of origin in Mexico.

Intersocietal relations feature another dimension: the molding of the views of those who act across national boundaries. The chapters in this book suggest a certain social class patterning to these relations. Elite Mexicans have internalized market-oriented economic beliefs that are close to those held by U.S. elites. Víctor Godínez argues that the political group that seized government power in Mexico in the 1980s and 1990s adopted a perspective on the world and the domestic economy that was quite close to the dominant views held in the United States. As a result, Godínez proposes, the relations between U.S. and Mexican negotiators over trade and financial issues were not particularly adversarial. Rather, they resembled a team effort to produce a joint outcome consistent with the shared beliefs held by the elites of both governments.

Jesús Velasco's chapter presents supporting evidence. Velasco records the relative ease of collaboration between the Mexican government, on the one hand, and U.S. think tanks on the other. Beyond the particular efforts to finance think tank activities favorable to NAFTA's ratification, a striking finding in Velasco's chapter is the ease of collaboration between Mexican officials and intellectual policy elites in Washington, D.C. The Mexican government was able to collaborate with think tanks that spanned a wide ideological spectrum—from the Brookings Institution to the Heritage Foundation—perhaps excluding only those intellectual organizations close to U.S. labor unions or the political Left. The Mexican government's intellectual success, therefore, is not principally explained in ideological terms but in social class terms: dominant elites in both countries worked to sign and ratify NAFTA, even if these elites ordinarily differed on other matters.

Elsewhere on the social stratification pyramid, matters were different. Williams's chapter indicates that U.S. and Mexican labor union peak federation leaders disagreed sharply with one another over the wisdom of NAFTA and, for

the most part, have continued to fight one another after the Agreement's implementation. Organized labor came to represent one of the pillars of opposition to NAFTA in the United States. The elites share beliefs and cooperate; the workers oppose the elites in the United States and each other across national boundaries.

In the same vein, de la Garza states that the Mexican government obtained little support in its effort to rally ordinary Mexican Americans to lobby the U.S. government on behalf of NAFTA's ratification. On the other hand, both de la Garza and Eisenstadt indicate a greater Mexican government success in rallying the political, business, and social leaders of Mexican American communities. Thus the policies of the Mexican government toward Mexican Americans may have widened the differences between leaders and members among Mexican American organizations.

Intersocietal issues, in short, complicate relations between the United States and Mexico, specifically over immigration. The principal effects of intersocietal relations have been: 1) to make certain problems between the two countries seem intractable and to limit the capacity of the Mexican government to influence the U.S. government; 2) to contribute to the gradual evolution of changes in Mexico's home communities; and 3) to facilitate reaching agreements between elites of both countries while fostering differences between leaders and ordinary citizens—an outcome shaped through social class effects.

Institution-based Explanations

The Mexican government's fundamental approach to the U.S. government in the 1980s and 1990s emphasized the latter's much greater institutional complexity. Institutional explanations call attention, first, to Mexico's relative success in inserting its own agenda in Washington's agenda by making effective use of rules and procedures in the U.S. political system. Institutional explanations also point, second, to several unexpected consequences of this change in Mexican foreign policy. In order to be effective in the United States, Mexico had to transform its own institutions charged with relations with the United States. Its government had to permit, even encourage, much greater and varied participation by public agencies and private actors in the implementation of Mexican foreign policy. And, third, Mexico had to resort to new international institutions to cushion and to channel the new impact of the United States on Mexico.

During the Salinas administration, Mexico's U.S. strategy sought to obtain NAFTA's enactment and also to improve Mexico's general image in the United States and create a better relationship with the Mexican American community. To accomplish these objectives, at the outset Mexico had to reshape its own institutions. First, the Foreign Relations Ministry was replaced by the Trade Ministry as the lead agency presiding over relations with the United States, as Chabat and Eisenstadt point out. Second, Mexican consulates were freed from

many of the constraints imposed by noninterventionist ideologies and ordered, instead, to build bridges to Mexican-origin peoples in the United States and, more generally, to represent Mexican interests in the United States at the subnational level. The first decision marginalized the Foreign Ministry from a leadership role during a momentous transition in U.S.-Mexican relations. The second decision gave the Foreign Ministry a new and important mission, consistent with strategies familiar to Mexican diplomats from years of observing the work of French and Spanish diplomats. These two early decisions went on to have multiplicative consequences.

The Diaspora

One important Mexican government motivation for developing subnational activities in the United States was to rally Mexican American support for NAFTA. As noted earlier, these NAFTA-support programs made headway among Mexican American leadership groups, though not among the broader citizenry. Nonetheless, the actions of the Mexican government, especially through its consulates, may have transformed its relations with people of Mexican origin in the United States.

As Carlos González Gutiérrez explains in his chapter, the Mexican government had long been constrained by its commitment to nonintervention—its own neorealist perspective—from sustaining direct and active relations with Mexican-origin or Mexican-ancestry peoples in the United States. In the traditional view, states engaged each other directly; they did not engage the society of the other. (Nonetheless, as de la Garza indicates in his chapter, the Mexican government has reached out intermittently to Mexican Americans at various points since 1849.)

Beginning in the 1970s, the Mexican government developed a more coherent policy toward the various Mexican communities in the United States, but not until 1990 did it establish a formal Program for Mexican Communities Living in Foreign Countries and lodged it within the Ministry of Foreign Relations. As de la Garza and González Gutiérrez note, this program will facilitate dual nationality for Mexican Americans, enabling them to retain rights in both countries and thus a stake in each. It has simplified customs procedures to reduce corruption. It provides educational materials for schools in the United States and simplifies the transfer of school credits between U.S. and Mexican schools. It has created eighteen Mexican cultural institutes in various U.S. cities. It establishes collaborative relations with the Mexican American business community and other Mexican American organizations. It better staffs consular offices to speed up processing requests for legal documents. It provides better access for Mexicans in the United States to the Mexican social security system.

Consequently, a program begun to advance specific Mexican government interests in the United States, through the institutional logic of the decentralized

work of consulates, may be evolving into a relationship between the Mexican government and its own citizens in the United States and, to a lesser degree, it may also involve some U.S. citizens of Mexican ancestry. Thus the Mexican government's principal gain from its new strategy may be to rediscover its own grass roots in a foreign land, even if its narrower foreign policy objectives remain unaffected. The decentralized design of the consulates enables them to develop a life of their own—an institutionalist explanation for the evolution of foreign policy and the remaking of aspects of Mexico's policy-making process.

Lobbying the United States

The Mexican government has lobbied the United States in the more distant past, as Alan Knight reminds us in his chapter. Mexican attempts to influence the U.S. government were important and sustained from the Mexican Revolution until World War II. The stakes were high; relationships were in flux. The same occurred after the 1982 financial crisis and, especially, in the 1990s though on a more institutionalized scale.

The institutional design of the U.S. government permitted, and even abetted, the Mexican government's generalized lobbying; it also shaped the pattern, contours, tactics, and relative effectiveness of Mexican efforts to influence U.S. policy. At its best, lobbying provides information not otherwise available to decision makers, or it organizes in a new way the information that might be available. Thus it can help to set the agenda. Mexican lobbying kept NAFTA on the congressional agenda and packaged it effectively as a national security issue for the United States; this was important during the first half of 1993, Eisenstadt reminds us, when President Clinton seemed to waver in his support for ratification.

The Mexican government's approach to Washington-based think tanks was one important tactic, as Velasco explains in his chapter. This intellectual lobby made the case on behalf of NAFTA's ratification on the grounds that it met U.S. interests. Intellectuals presented the pror ratification arguments in subtle and sophisticated language to members of Congress, staff, and the public accompanied, whenever appropriate, by econometric simulations that calculated the costs and benefits of the new agreement; the most professional among these, especially those of the Institute for International Economics (Hufbauer and Schott 1992, 1993) made a strong case for enacting NAFTA.

Lobbying can also build coalitions to instruct decision makers about the range and depth of support for given policy positions, thus helping to clarify the political underpinnings of the policy agenda. The intellectual lobby of the think tanks, Velasco notes, contributed to this aspect of the ratification process by providing credible nonpartisan pro-NAFTA arguments that helped to shape public opinion. The Mexican government's lobbying campaign performed best when it stayed close to these propositions. Its economic studies of NAFTA's

impact on various congressional districts, and its alliance building with business and Mexican American leadership groups worked well.

On the other hand, the Mexican government, Eisenstadt informs us, may have been much less effective, and may have wasted lobbying money, when it seemed to believe that its lobbying could actually get NAFTA enacted.⁹ And Mexican lobbying had the least effect the closer the U.S. decision came to the White House itself: only the president of the United States could obtain the final votes in Congress to enact NAFTA, and only he could fashion the 1995 financial rescue package.

In any case, Mexican lobbying in the United States had to adjust to U.S. institutions and, for the most part, could draw little intellectual or practical guidance from Mexico's own institutional arrangements. Mexican government officials could draw on Mexico's own experience only in their relations with the think tanks because the team of officials then in charge of Mexican government economic agencies drew liberally from such institutions as the Instituto Tecnológico Autónomo de México (Golob 1996). Otherwise, the institutional setting in the United States differed from Mexico's. The role of Congress, constituents, the press, and the various agencies of the U.S. government set the main patterns for Mexican activities. Mexican lobbying had to operate also within the confines of U.S. law and regulations; in that way, Mexico became not just a foreign government but also a domestic actor within the U.S. political system¹⁰—an institutional arrangement that the United States permits, regulates, and, to some degree, abets.

In this fashion, the institutional design of the U.S. government serves also as an institutionalist explanation for the partial transformation of the Mexican government. The Mexican government made a transition from its emphasis on its sovereign majesty, committed to nonintervention, because it wanted to influence the U.S. government; in order to succeed, it had to remake its foreign policy in the institutional image of the U.S. government.

There is a closely related change in the implementation of Mexican foreign policy, namely, the more direct engagement of Mexico's private business sector. As Chabat and Eisenstadt show, Mexican business provided significant funding for the pro-NAFTA campaign in the United States and hosted visits to Mexico by dozens of U.S. congressional staff members. Though the trends for greater business engagement in the implementation of Mexican foreign policy were already evident during the de la Madrid presidency (Chabat 1989), the activity and funding for these purposes increases markedly during the Salinas de Gortari administration.

New International Institutions

NAFTA, Mexico's central foreign policy accomplishment of the 1990s, created new international institutions and procedures to govern Mexico's trade and

many other international economic relations for the years to come. NAFTA's substance is beyond the scope of this work, but this book's authors call attention to some related or additional institutional factors derived from this historic shift in Mexico's international relations that served to cushion and to channel the new U.S. impact on Mexico.

Chabat suggests that Mexico gained from Canada's inclusion in the free trade negotiations and eventual agreement. A purely bilateral arrangement with the United States might have been more difficult to defend within Mexico.¹¹ Complexity helped. In the same vein, Chabat notes that Mexico developed other international institutionalist responses to cushion the political impact of its closer alignment with the United States (a behavior also consistent with neorealist thinking). Thus President Salinas faithfully participated in the meetings of heads of state of the Group of Eight, which clusters the largest Latin American countries. Salinas was the founding host of the Iberoamerican Summit, which gathers the heads of state and government of Spain, Portugal, and the Iberoamerican republics. During the Salinas presidency, Mexico joined the Organization for Economic Cooperation and Development and the Asia-Pacific Economic Council.

New international institutions served also to channel the actions of contentious private actors in U.S.-Mexican relations. For example, Williams shows that the NAALC permitted labor unions in both countries to file suits against firms that violate the labor standards of the country that hosts them. The NAALC, in particular, facilitated the collaboration between a small, dissident Mexican labor union federation, the Frente Auténtico del Trabajo (FAT), on the one hand, and two U.S. labor federations, the United Electrical, Radio, and Machine Workers of America and the International Brotherhood of Teamsters, on the other. This cooperation enabled the FAT to challenge Mexico's dominant Confederation of Mexican Workers by filing suit through the NAALC channels against Honeywell, General Electric, and Sony for obstructing the FAT's organizing efforts. Although there have been instances in the past of collaboration between U.S. labor federations and dissident Mexican labor unions (Middlebrook 1982), the NAALC provides a novel vehicle for private labor union partnerships that can advance joint objectives through institutional means and contain conflicts.

Another mechanism to channel private and public interactions has been Mexican government funding for certain U.S. private business activities. Chabat reports on Mexican government funding for the AmeriMex Maquiladora Fund L.P., an investment fund that sought to lure in-bond industries to the state of Yucatán. Though that project was discontinued in 1993, Chabat and de la Garza also comment on similar actions by Mexico's national development bank, Nacional Financiera. In 1992, NAFINSA created a \$20 million fund to finance investment activities in Mexico by Mexican American business firms and, in

1993, it loaned \$35 million to the Los Angeles-based Hispanic Capital Fund for its investments in Mexico.

Finally, as Godínez notes, the evolution of bilateral U.S.-Mexican institutions and procedures also subtly altered the style of Mexican foreign policy and channeled relations between the two governments. In part because of the shared beliefs noted earlier, Mexican negotiators, Godínez argues (quoting José Angel Gurria, Mexico's long-time debt negotiator who became foreign minister in 1994), thought that a timely agreement was more important than an optimal agreement. This perspective led Mexican negotiators away from confrontation and toward a certain bargaining passivity. The high point of this transformation in Mexican foreign policy behavior, Godínez notes, was reached during the discussions over the Mexican financial bailout in early 1995: Mexico, in effect, delegated to the U.S. government to bargain on their joint behalf before the International Monetary Fund and the Bank of International Settlements. Through shared ideas and the adoption of new practices for the conduct of foreign policy, Mexico and the United States came to coordinate their foreign economic policies to an unprecedented degree.

Conclusion

Mexico's new foreign policy is still guided by reasons of state and still shaped by the preferences and will of its presidents. To a substantial degree, the same remains true of U.S. foreign policy. Though the Congress and private actors play a much larger role in making U.S. foreign policy, Presidents Bush and Clinton were the key actors in the redesign of U.S. policies toward Mexico. The much closer collaboration between the two governments has been assisted by the convergence of elite beliefs and experience in both countries; U.S. and Mexican elites became much more likely to look for the "team outcome" in bilateral relations.

This dramatic shift in U.S.-Mexican relations has also been accompanied by significant changes in the institutions and practices of Mexican foreign policy, which is no longer conducted just by the president and the Foreign Ministry. Mexican foreign policy making and implementation now engages many and varied public and private actors, even giving new life, meaning, and significance to Mexican consulates in the United States. Mexico has resorted more proactively to new international institutions and procedures to cushion the new impact of the United States on Mexico and to channel the conflicts between contentious private actors from both countries.

Not all is well in U.S.-Mexican relations, however. Immigration looms large in this book as an issue marked by dispute, where Mexican Americans, to the chagrin of Mexico's government, side with the government of the United

States over most of the important bilateral issues. And, whereas elite beliefs and experiences have converged, the nonelites have become increasingly adversarial toward one another, providing the political foundations for intergovernmental conflict.

The ghost of Artemio Cruz's mendacity, finally, still haunts U.S.-Mexican relations in the second half of the 1990s. Even as the powerful in both countries proclaim that the ideals and interests of the United States and Mexico coincide, a great many people do not believe it. Many Mexican and U.S. citizens think that their governments fooled them when NAFTA was signed; Mexicans blame NAFTA for their economic troubles while U.S. citizens fear illegal immigration from Mexico and oppose bailing out its economy. Elite mendacity is a legacy from the history of U.S.-Mexican relations. It received a new lease on life by the manner of lobbying on behalf of NAFTA, which promised that the gates of paradise were about to open to all. Elite mendacity remains a threat to the continued improvement in relations between the two governments, and to the future prospects for building widespread public support for constructive and transparent relations to the long-term benefit of both countries.

Notes

1. For Mexico's previous trade policy, see Balassa (1983).
2. This is not a freestanding chapter. Instead, it calls attention to, and to some degree summarizes, themes that emerge in the chapters in this book. This chapter relies occasionally on textual references to other chapters, but my debt to the authors in this book is much greater than these citations suggest. The views expressed here are mine alone. The authors are at liberty to claim that all the errors in this chapter are mine and all the insights are theirs.
3. The classic study of this period of Mexican foreign policy is Ojeda's (1976).
4. The most influential neorealist scholar has been Waltz (1979).
5. By wider measures of effectiveness, however, Mexico performed less well. In a study of twenty-two conflicts with the United States over various issue areas at different moments in the twentieth century, Mexico performed generally well before World War II but much less well thereafter; in particular, Mexico lost most trade disputes with the United States from the mid-1940s to the mid-1970s (Wyman 1978: 121-125).
6. This is a reversal of the Mexican government's characteristic approach to the U.S. government. See the analysis in Rico (1989: 119).
7. For the distinction between "crisis" and routine conditions in U.S. policy making toward Mexico, see Rico (1989: 122-125).
8. For an extended critique of the applicability of neorealism to Mexican foreign policy, see Domínguez (1996).
9. Nonetheless, at \$37 million (see Eisenstadt's chapter) the total cost of the Mexican lobbying effort may well be worth the price. From 1993 to 1994, NAFTA's first year, Mexican exports jumped by \$9 billion. Some of that increase would surely

have occurred thanks to the dynamism of normal trade interactions, even without NAFTA. But if one assumes that, without NAFTA, the rate of Mexican export growth for 1994 would have been the same as for 1993, then NAFTA still added about \$2.6 billion to Mexican exports in 1994 alone—despite the many troubles that ailed Mexico that year including the insurgency in Chiapas, the assassination of the most important presidential candidate and, later, of the ruling party's secretary general, and an overvalued peso that would contribute to a financial shock in December.

10. This was also a change. In the mid-1970s, a study of the behavior of Latin American diplomats (including Mexicans) in Washington, D.C., shows that they did not behave at all like this (Sack and Wyman 1976: 244-245).

11. For other discussions of the politics of NAFTA in Mexico, see Pastor and Wise (1994), Poitras and Robinson (1994), and Smith (1992).

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