

*Two old neighbors are preparing to talk, but more than the Rio Grande lies between them*

## Border Impasse: The U.S. and Mexico

BY ROBERT J. ALEXANDER

"Poor Mexico! So far from God, and so close to the United States!" So goes a popular Mexican lament, true for more than a century and a half and still appropriate today. In recent years, however, important factors in U.S.-Mexican relations have altered sharply, and when President Reagan meets with Mexican President José Lopez Portillo and other American leaders in Cancun, Mexico, this October for a conference on world development, it is likely that a number of thorny issues will arise. What is *unlikely* is that they will result in any quick resolutions.

Relations between the two countries are delicate by the very nature of things. A long border separates two markedly different nations, one of which has traditionally been much stronger than the other. Even more important, the United States has too often used its greater strength to the disadvantage of Mexico. In the last century U.S. immigrants to Mexico seized control of the Mexican state of Texas, declared it an independent republic, and succeeded in annexing it to the Union. A few years later, using the excuse of a border dispute, the U.S. invaded its southern neighbor and seized nearly half its territory. Two generations after that, President Woodrow Wilson twice sent troops into Mexico during that country's revolutionary struggles.

Most U.S. citizens have forgotten these events or are only vaguely aware of them. Mexicans, however, remain acutely conscious of past relations with the United States, and these historical factors provide the background to contemporary international relations. Nonetheless, more immediate issues are currently at the fore, the most important of which include oil and gas trade, immigration, general North-South relations, and hemispheric issues— notably in the Caribbean area.

### OIL AND GAS

Mexico has been a significant producer of oil and gas throughout most of the twentieth century. During the first three decades it was an exporter, although by the time of the expropriation of foreign companies in 1938 virtually all that was being produced was for domestic use. This continued to be the case for almost forty years. During the last few years, however, very large

new oil and gas resources have been discovered in Mexico by the government's oil firm, PEMEX, and foreign enterprises working with and for it. Although the Mexican authorities have been anything but verbose about the extent of these new discoveries, it is clear that the finds have suddenly transformed Mexico into one of the world's largest sources of energy.

Mexico's new oil wealth has had a dramatic impact on the country's domestic economic situation, as well as on its position in the world and, in particular, its relations with the United States. It has also given Mexico additional time and resources to deal with its growing socioeconomic crisis. That crisis arises from a very rapidly increasing population, exhaustion of available arable or relatively easily irrigable land for distribution among peasants (in the tradition of the Mexican agrarian reform), and from exceedingly inequitable distribution of income.

The government of President Portillo has been seeking to use the increased resources to intensify industrialization and to stimulate the agricultural sector of the economy. It remains to be seen how successful these programs will be, particularly to what degree they will postpone the social and political crisis which seemed to be developing before the new petroleum finds. Both the oil boom and the Mexican sociopolitical crisis are significant in contemporary U.S.-Mexican relations.

As soon as the oil discoveries were confirmed, the United States manifested its interest. But with its bargaining power greatly increased, the Portillo administration was determined not to allow the U.S. to take advantage of Mexico. Mexican authorities quickly indicated that they would move slowly in increasing their production and export of petroleum. There were at least two reasons for this: the desire to conserve on a long-term basis their newly discovered resource, and a reluctance to make Mexico excessively dependent upon exports to the U.S.

The Mexicans *did* agree to increase very substantially their exports of natural gas to the United States. To this end they undertook to build a gas pipeline to the U.S. border. But when that facility had been extended to within a few score miles of the frontier, the Carter administration suddenly announced that it would not accept the price at which PEMEX proposed to sell the gas. Consequently the Mexicans decided to redirect the pipeline toward domestic outlets and to use the natural

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gas themselves. This incident greatly intensified the caution of the Mexican Government in dealing with the United States on petroleum and related issues.

At this time the oil and gas issues remain in abeyance. The U.S. would still like to obtain more of both from Mexico, while the Mexicans remain cautious.

## IMMIGRATION

The question of Mexican immigration to the United States is not unrelated to the oil and gas issue. In addition to affording possible tradeoffs between the two countries, migration is for Mexico an essential safety valve until investments made possible by oil bring greater economic development.

This is not a new issue. During most of this century Mexicans have been crossing the border to seek work, and since World War II this movement of people has become particularly extensive. During part of the period since the war there have been programs for substantial numbers of Mexicans to work on U.S. farms, ranches, and elsewhere on a temporary basis. But in recent years the influx of illegal immigrants from Mexico has become impossible to contain. No one knows how many such "undocumented workers" are in the U.S. today, but certainly they number in the millions.

The Carter administration apparently threw up its hands in the face of this problem. In contrast, the current administration has tentatively presented an immigration program which would give "amnesty" to most of the illegal immigrants still here, and reinstate a "guest workers program" to employ other Mexicans in agriculture and other labor. This proposal has aroused considerable opposition on both sides of the border, but will certainly be a subject of discussion between the two governments.

## NORTH-SOUTH RELATIONS

Another source of discussion and dissension is the broad issue of relations between the developing nations of the Southern Hemisphere and the industrialized nations of the North, an issue in which Mexico has been one of the important spokesmen of the South. This, too, is not new. For a quarter-century various voices have been urging programs to transfer resources from the industrialized countries to the less developed ones in order to promote the expansion and diversification of their economies, and to give these nations greater bargaining power in their relations with the North. Formal discussions under the auspices of the United Nations have been in progress on this matter for the past decade.

Basically, in addition to a transfer of capital the developing countries are seeking access to the markets of the industrial countries—both for their food-stuff products and raw materials and for those manufactured goods in which they have developed comparative advantage—and control of the activities of foreign investors within their economies. Mexico has been a strong advocate of this program.

The Reagan administration has indicated little sympathy for this "new world order," contrary as it is to a free market policy—one which they contend should dominate all aspects of the economy, including international economic relations. Since the conference in Can-

cun is particularly concerned with these North-South problems, it is virtually certain that the U.S. and Mexico will be at odds during these meetings.

## INTERAMERICAN ISSUES

The Mexican Government disagrees fundamentally with the Reagan administration's argument that the basic cause of dissension in the Hemisphere is the attempt by the Soviet and Cuban regimes to subvert existing governments in the region. The Mexicans feel that the internal conflicts which undoubtedly exist in various Latin American countries are basically due to economic underdevelopment, social injustice, and political oppression—not to outside interference.

There are many specific differences in Latin American policy between the two governments, the most long-standing of which is probably their stances toward Cuba. Even when all other Latin American governments—as well as the United States—broke diplomatic relations with the Castro regime, Mexico refused to do so. And relations between Mexico and Cuba remain friendly. Although President Portillo acceded to U.S. demands that Castro be absent from the October conference (Reagan's price for his attendance), he quite ostentatiously invited the Cuban president to Mexico for an extended visit in August.

There are also major differences regarding the current governments of Nicaragua and El Salvador. The Portillo Government supports the Sandinistas in Nicaragua, and believes that the best way to keep them from taking a totalitarian path is to give them sufficient economic help to get the economy functioning effectively. This would eliminate the excuse for expunging political freedom as the "cost" of obtaining a prosperous economy. In contrast, the Reagan administration tends to see Nicaragua as a "lost," Marxist-Leninist regime.

As to El Salvador, the rebels (recently given political recognition by Mexico and France) have their exile headquarters in Mexico. Mexico has urged a political compromise between the rebels and the present regime as the only acceptable solution to civil war—a position dramatically opposed to current U.S. policy.

Certainly there are other areas of dispute. Whereas the Reagan administration has indicated that it will, in general, support "authoritarian" regimes in the area, the Portillo government keeps most of them at arm's length. And Mexico has not had diplomatic relations with the Chilean dictatorship of General Pinochet since soon after it seized power in 1973.

President Reagan has indicated that he wishes to improve relations with Mexico. While still president-elect, he went out of his way to meet with President Portillo, and he has made a point of attending the October conference on world development. Even so, there appears little basis for a closer relationship under the current administration, the policies of which are in more or less sharp contrast with those of the Portillo administration on virtually every issue which the Mexicans consider of major importance. And although elections are scheduled in Mexico next year, it is unlikely that any new government will differ fundamentally with the present one on issues of foreign policy. 