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WHY MEXICO'S FOREIGN POLICY STILL IRRITATES THE U.S.

INTRODUCTION

In recent decades, the U.S. and Mexico have differed on foreign policy issues. For example, Mexican policy toward Cuba has been open and cordial, while the U.S. has sought to isolate Castro. Today the differences between Mexico and the U.S. are highlighted principally by Central American policy. Mexico supports the legitimacy of the Sandinistas' revolutionary goals for Nicaragua, calls for negotiations between the elected government of El Salvador and the leftist guerrillas attempting to topple it, and while acknowledging the large Soviet-Cuban military presence in the region, chooses to focus on the smaller U.S. presence as the major threat to regional stability. The U.S., on the other hand, questions the legitimacy of the unelected Sandinista regime, supports democratic-oriented Nicaraguan opposition groups, and has extended military and economic aid to back the democratic governments in the region against an externally supported communist threat. The U.S., moreover, is less sanguine than Mexico with respect to the outcome of discussions between the government of El Salvador and the leftist guerrillas, although it has encouraged such talks.

There are three elements in Mexico's foreign policy that bring it into conflict with U.S. policy in Central America. The first derives from Mexico's desire to restrict U.S. influence in the region, while it seeks to play a leading role in negotiating a truce between the warring internal factions and hostile nations. For historical as well as ideological reasons, the Mexicans tend to view any U.S. presence or role in Central America as reflecting an imperialistic design for economic and political domination or as in some way threatening the sovereignty of Mexico and other regional states. Second, Mexico's own revolutionary history and revolutionary ideology, especially as it has developed in recent years, have reinforced the Mexican predilection to support other,

usually leftist, revolutionary causes. Although nonintervention and self-determination are the stated principles of Mexican foreign policy,¹ these frequently are overridden by ideological support or toleration for revolutionary regimes and groups that violate these principles. The third element in Mexico's foreign policy, which explains the contradiction between revolutionary goals and international juridical principles, is the need to stave off Cuban-Soviet support for subversion in Mexico by defending or rationalizing, in forums such as the Organization of American States (OAS) and the U.N., the Soviet and Cuban roles in other areas such as El Salvador and Nicaragua. Support for Cuban style revolution not only shields Mexico from outside attempts at subversion but also mutes domestic criticism from the large and influential Mexican Left.

U.S.-Mexican differences show little likelihood of vanishing; and Mexico cannot be successfully pressured by the U.S. to revise its Central American policies overnight. But Mexico is increasingly isolated, as wide Latin American and European support for the elections in El Salvador indicates, and Mexico needs the help of the U.S. and others to escape economic crisis and domestic instability. With time, Mexico's national interests may override ideological commitments. Until then, the best U.S. course is to reinforce such national interests economically and politically in the hope that Mexico will be drawn to join its neighbors in their commitment to democracy and regional stability.

U.S. AND MEXICAN DIFFERENCES, OVER TIME

The Central American crisis has its source and its continuation in the clash of ideas on how nations are formed, how people are represented, and the nature of freedom, liberty, and government. Mexico and the U.S. have taken markedly different sides in the crisis despite their many common interests and concerns. These differences have remained despite the persuasive efforts of both countries' governments to influence and change the other. Mexico insists publicly that Marxism-Leninism is a natural and historical consequence of Central America's poverty and oppression, that it is not inherently destabilizing or inevitably subject to Soviet influence. The U.S., on the other hand, insists that democracy is the best guarantee of regional stability, economic prosperity, human rights, and national independence.

Washington's view is based on the trends and traditions of Central America as much as on its own political hopes. This view has gained support after the people of El Salvador, in free elections, chose their government and rejected the revolutionary

¹ President Miguel de la Madrid recently reaffirmed these principles as defining Mexico's foreign policy in "Mexico: The New Challenges--Miguel de La Madrid H.," Foreign Affairs, Fall 1984, p. 68.

alternative offered by the guerrillas. Yet Mexico only recently upgraded diplomatic relations with the new government in El Salvador, and still urges this government to negotiate with the guerrillas.

As for Nicaragua, meanwhile, the U.S. maintains that a democratic Nicaragua was the goal of the 1979 revolution; this has not been achieved. Mexico ignores this and treats the Sandinista regime as a fully legitimate government, even though it is unelected and resists sharing power with the non-Marxist opposition.

Ignoring the large and growing Soviet bloc presence in Nicaragua, Mexico continues to tell Western European and American audiences that good will and economic assistance will allow Nicaragua to become an independent, nonmilitaristic power in the region. The fact that this was tried and failed when the U.S. and Western European countries gave over \$2 billion in credits and economic assistance to the Sandinistas in their first years of power, from 1979 to 1981, seems to make no difference to Mexico.

Although Mexico's foreign policy traditionally has asserted its independence from the U.S. and its revolutionary roots, it was primarily reactive and subdued until an activist era was inaugurated by President Luis Echeverria in the early 1970s. He sought to act out through his foreign policy Mexico's revolutionary ideology, which he interpreted to coincide with the Third World radicalism then fashionable.² This nexus of nationalist and internationalist ideology was more evident in rhetoric than in action, and as he approached the end of his six-year term, Echeverria was forced by a severe economic crisis to focus on internal politics.

In 1976 Echeverria's successor and protégé Jose Lopez Portillo inherited the economic crisis. But thanks to worldwide economic recovery and the discovery of Mexico's proven oil reserves, Mexico entered into an economic boom. Its new wealth and

² The "Third World" is a political term which views the world as divided between north and south, rich and poor, developed and underdeveloped. It gained widespread use and attention following Willi Brandt's "North-South Report" published in 1980. This report in effect attributed to the industrialized north the responsibility for the poverty and underdevelopment of the south. The extent to which the term has been exploited by the East bloc to attack the West is analyzed by Jean Francois Revel in his introduction to Venezuelan economist and writer Carlos Rangel's book "El tercermundismo." Revel writes: "What is essential for communist imperialism is that the Third World believe that Socialism is their salvation first before it falls into the Soviet orbit. The tools of propaganda are the confluence of lies and myths which joined propel underdeveloped countries to seek the elimination of the influence of developed capitalist countries." This, Mr. Revel believes, would explain the great enthusiasm the totalitarian states have for the north-south idea.

strength, combined with the emerging Central American crisis, prompted Mexico to revert to its activist foreign policy, which went unchallenged by the Carter Administration's passive foreign policy. Mexico's support of revolutionary movements and its cooperation with Cuba in a sense were complemented by Jimmy Carter's failure to challenge the political legitimacy of revolutionary movements and the increasing amounts of external support they received.

Mexico's support for Marxist revolutionary regimes antedates the Central American crises and the developments in El Salvador and Nicaragua. In 1962 and 1964, Mexico voted against the Organization of American States' sanctioning of Cuba and thus established clearly its position in favor of Fidel Castro and against the U.S. and what it termed the "pro-imperialist" countries of Latin America. By 1976, Mexican President Jose Lopez Portillo expanded Mexico's support for Cuba beyond verbal support to an active program of cooperation and coordination. Mexico's endorsement and material support for the Cuban-supported Marxist Sandinistas in Nicaragua and the Cuban-supported guerrillas in El Salvador were an open manifestation of its activist pro-Cuban and anti-imperialist (anti-U.S.) foreign policy.

Following the Sandinista takeover in Nicaragua, El Salvador became the focus of international attention in Central America. Just before leaving office, Carter authorized a more active anticommunist foreign policy. This was expanded by Ronald Reagan. It collided with Mexico's support for the Farabundo Marti Liberation Front/Democratic Revolutionary Front (FMLN/FDR) coalition of predominantly Marxist-Leninist guerrillas fighting the government of El Salvador.

The perception of Mexico as an objective and informed regional leader with strong leanings toward the Salvadoran guerrillas garnered considerable support for them from Western Europe and the active, influential Socialist International. Many Americans also accepted without question Mexico's claim to have a special role. For example, in spring 1981, 100 U.S. congressmen petitioned the State Department to consider a Mexican-French initiative, which endorsed the FMLN/FDR as a legitimate Salvadoran political group, even though this initiative had been condemned almost universally by the rest of the Latin American states.

Lopez Portillo was forced to turn his attention inward as the Mexican economy collapsed in 1982 in the wake of the debt crisis, the world recession, and government mismanagement. At the same time that Mexico was lowering its profile, the U.S. began pursuing a more assertive foreign policy. This coincided with the growing legitimacy of the democratic process (versus the leftist revolutionary one) in Central America and Mexico's increasing unpopularity among Central American states because of its unwavering support for the Sandinista regime and tacit acceptance of Cuba's involvement in the region.

Also significant was Mexico's reduced economic influence as a result of the decreased world demand for oil. Oil had allowed Mexico to become less dependent on the U.S. for foreign capital and to wield influence in the region by selling Central American countries oil at a discount. The economic crisis has weakened this influence and increased Mexico's dependence on the U.S., its major trading partner and buyer of oil. But the mounting economic crisis did not temper Mexico's pro-leftist foreign policy during Lopez Portillo's last year in office and the first year of the administration of President Miguel de la Madrid, who took office in 1982. Today, however, Mexico is more dependent on the U.S. than ever. This, combined with an increasingly stronger U.S. position in Central America, may have played a role in Mexico's moving toward a less ideological, more pragmatic Mexican foreign policy.

FOREIGN POLICY OF DE LA MADRID

El Salvador

In a move last June, which the organized Mexican Left described as a "step backwards in Mexican foreign policy," Mexico restored full diplomatic relations with El Salvador. It also has been pressing the Salvadoran rebels in Mexico City to curtail their public activities. Prior to this, Mexico had refused to accept El Salvador's elections as valid and, by allowing the FMLN/FDR to maintain offices in Mexico City, appeared to be supporting the guerrillas' radical platform.

Mexico's policy shift, at least to some extent, reflects U.S. attempts to persuade Mexico to modify its Central American policies; but the most important factor has been Mexico's own realization that it no longer could support credibly the apparently unpopular guerrilla movement against a democratically elected government. Moreover, Mexican support of revolutionary goals contrasted starkly with its Latin American and Caribbean neighbors, who unhesitatingly endorsed the El Salvador electoral process.

Nicaragua

President Miguel de la Madrid continues to defend vigorously the unelected government of Nicaragua, though the rest of the region has ceased doing so.³ He apparently still believes that, by giving credits, economic assistance, and diplomatic support to

³ Commenting recently on the U.S.-Nicaraguan talks being held in Mexico City, President de la Madrid affirmed the need to support the Nicaraguan revolution: "Nicaragua should be able to promote their revolution with more peace of mind...." He added, "The progressive forces within Mexico and Latin America [must] promote a more active and dynamic movement of solidarity with the Nicaraguan people." El Dia, Mexico City, September 8, 1984; FBIS Latin America, September 13, 1984, M1.

Nicaragua, the Sandinistas will be less inclined to seek aid from the communist bloc. In an interview, de la Madrid stated "we think we can succeed in having Nicaragua assert its nationalistic character and become less dependent on the Socialist bloc [with] more financial cooperation from the Latin American countries, Western Europe, Japan, Canada, and the United States itself."⁴ This ignores (1) the fact that the U.S. and West European countries gave substantial economic assistance to the Sandinistas through 1980 only to see Nicaragua gravitate rapidly into the Soviet bloc; and (2) that ideology and not external pressures impels the government of Nicaragua to choose a Soviet allied Marxist-Leninist path.

That de la Madrid and his foreign policy advisors support the Sandinista regime and its revolutionary activities in spite of these well understood facts may reflect the extent to which the Marxist-Leninist ideology and the wish to appear to support revolutionary regimes influence Mexico's Central American policy. It is becoming more difficult, however, for Mexico to publicly support Nicaragua. Several times in the last year Mexico has announced the suspension of oil shipments to Nicaragua because the Sandinistas were not paying their bills. Nevertheless, Nicaragua still receives oil, if intermittently, from Mexico. This August, Mexico and Venezuela announced their agreement to provide subsidized oil to needy countries in the region, except those engaging in aggression against their neighbors. Although this exception was clearly in reference to Nicaragua, the Sandinistas are still receiving oil from Mexico.

Mexico's political importance for the Sandinistas was underscored recently when the nine-man Sandinista junta requested that Mexico be present at talks between the U.S. and Nicaraguan government representatives. Mexico in fact announced publicly that it would participate before U.S. representatives had been consulted.

When the U.S. protested Mexico's role, Mexico retracted its statement and instead has agreed to play the lesser role of host to U.S.-Nicaraguan talks. This was not a small concession, since Mexico considers its role as an intermediary between the two countries highly important to its image as an important regional power at home and abroad and as a promoter of peace through negotiations rather than military intervention. Mexico's willingness to withdraw to an observer role in the face of U.S. protests may reflect the growing moderate influence in the government. Future Mexican policy in Central America may be influenced to some degree by possible differences in approach of various forces within the Mexican government. For example, some factions appear to favor policies of the past several years that tend to downplay U.S. concerns, while others favor efforts to discover areas of mutual interests between the U.S. and Mexico, such as in trade and finance issues.⁵

⁴ FBIS Latin America, July 9, 1984, M1.

⁵ Some observers have suggested that Foreign Minister Bernardo Sepulveda is among those who support a continuation of past policies, while Finance Minister Silva Herzog is in the group seeking to find areas for U.S.-Mexican cooperation.

Contadora

Mexico's role as part of the four-nation Contadora Group (along with Colombia, Panama, and Venezuela) is being increasingly questioned in Central America.⁶ Mexico's solid support for the Sandinistas and its previous unqualified support for the Salvadoran guerrillas has made Mexico somewhat suspect as an objective Contadora participant. Particularly troublesome to the democratic nations in the region is Mexico's criticism of the U.S. military presence in the region, while remaining largely indifferent to the much larger Soviet, Cuban, and East bloc presence. Mexico's position directly contradicts a major Contadora proposal calling for the withdrawal of all foreign military advisors in the region.

At the Contadora meetings, Mexico has attempted to avoid issues of Nicaragua's internal developments, its failure to hold elections, and the massive Cuban/Soviet assisted military buildup. By contrast, on April 25, Costa Rica, Honduras, and El Salvador released their proposals for peace and security in the region in preparation for the signing of a "Treaty for Peace, Democracy, Security and Cooperation for Central America" later this year. The April 25 document calls for Nicaragua to fulfill its promises to the Organization of American States (OAS) on July 29, 1979, for guarantees of free press, basic civil liberties, elections. It also called for the participation of the armed and civil opposition in the electoral process and stated that a separation of party and state is necessary to the peace and security of the region. Mexico criticized the proposal on the grounds that it made demands that exceeded the competence of the present negotiations. Mexico's role in the Contadora process has been to bolster the Sandinista government and to prevent the U.S. from taking unilateral action against Nicaragua.

THE DEBT CRISIS

Mexico plays a dual role in the Latin American debt crisis; at times it seems to be pragmatic, and at others, cheerleading Third World positions. Beholden to foreign (mostly U.S.) banks; Mexico has acted the model debtor. This has not gone unrewarded as the long-term rescheduling of half the nation's \$90 billion debt in September 1984 demonstrates. International Monetary Fund president Jacques Larosiere, for example, stated in early 1984, "Mexico constitutes a magnificent example of how a country can succeed so well in making those adjustments necessary to reopen the way for freer access to financial markets."⁷

Mexico's cooperation with the U.S. and Europe over the debt at times yields to Mexico's impulse to posture as a Third World ideologue urging Latin American debtor nations to take a tough negotiating stance when confronting their creditors and the International Monetary Fund. De la Madrid's March tour of Latin American countries was widely interpreted as an attempt to convey

⁶ See Virginia Polk, "The U.S. and the Contadora Effort for Central American Peace," Heritage Backgrounder No. 372, August 6, 1984.

⁷ Excelsior (Mexico City), June 6, 1984.

this image to the West, and particularly to the U.S., since the tour was scheduled to finish just before the Reagan-de la Madrid summit in May. Yet, at the recent debtor nations meeting in Cartagena in June 1984, Mexico played a surprisingly moderate role, perhaps indicating the new importance Mexico attaches to maintaining its "freer access to financial markets." At the same time, Mexico's much publicized efforts to forge a debtors' front in Latin America have served the purpose of maintaining Mexico's prominence in the Third World and quelling rising domestic discontent of the Left over the government's austerity measures and ready cooperation with Western financial interests. Still, at Cartagena, Mexico's economic interests apparently had priority over its traditional anti-U.S. foreign policy.

INTERNAL FACTORS

To the extent that Mexico has had a national security doctrine, it has been concerned primarily with maintaining domestic peace and economic prosperity and secondarily with external threats on its borders. While this is still the case, particularly as Mexico's economy deteriorates and popular discontent rises, the increasing instability of the region and the awareness of the external support easily available to terrorist and guerrilla groups throughout the region has brought about some changes in Mexico's perceptions of its national security needs.

One result of this has been an effort to modernize and enlarge the military. This effort was made possible largely by the earlier enormous oil revenues. But the subsequent economic crisis brought military spending to a halt.

Of increasing concern to the Mexican government is the growing turbulence in Central America, which is already affecting the stability of Mexico's southern states. For example, there has been considerable unrest in the state of Chiapas. In Mexican minds, this regional unrest is linked to the Central American crisis, because of the growing power of Mexican revolutionary leftist groups and the possibility that in the future Cuba might support their activities against the Mexican government.

Although Mexico's military is concentrated in the oil-rich southern region, this area remains vulnerable to outside penetration and attack. The southern states long have been the stronghold of the many far-left groups that, if alienated by government policies, would likely seek support from the Cubans and other leftist groups to attack the Mexican assets.

Complicating security matters further are the 45,000 Guatemalan refugees. Although primarily a political problem between the governments of Guatemala and Mexico, they exacerbate the potential instability of the region and Mexico's national security concerns. Guatemala's own war against terrorism has spilled over into Mexico, where terrorists based in refugee camps and elsewhere

have drawn the Guatemalan military over the border on several occasions. While the Mexican government may support leftist revolutionary activities in El Salvador and Nicaragua, it is concerned about the effects of such activities in Guatemala on its own population. Quietly and effectively, the Mexican government has been cooperating with the Guatemalan military in dealing with guerrilla activities in border areas.

FOREIGN POLICY AND THE ECONOMY

Mexico's current foreign policy is affected mainly by the economic crisis. The drop in oil demand and price and the subsequent debt crises have severely eroded Mexican economic leverage in Central America. Economic wealth not only strengthened Mexico's hand in Central America, it allowed Mexico to lessen its dependence on the U.S.

Renewed dependence on the U.S. for economic assistance and markets challenges Mexico's traditional foreign policy, which is critical of and opposed to the U.S. Although the economic problems have not shifted Mexican foreign policy suddenly or completely, they are making it less easy for Mexico to continue its anti-U.S., pro-left direction.

With many other important Latin American nations, such as Venezuela and Colombia, veering away from the Left in the last four years, Mexico is able to similarly modify its own position without appearing to be bending to U.S. pressures. Mexico's recognition of the elected government of El Salvador, for example, can be viewed as reflecting an overall regional trend, although it also represented an important gain for the legitimacy of U.S. policies in the region.

Mexico's increased pragmatism in its foreign policy undoubtedly will ease the way for U.S. economic concessions. Mexico and the U.S. are still bargaining on a bilateral trade agreement. Although foreign policy positions are not being used directly as bargaining chips, Mexico's recognition of the government of El Salvador and its slightly tougher stance toward Nicaragua may be Mexican concessions to the U.S.

Domestic pressures because of the economic problems also affect Mexico's foreign policy. The important electoral showing made by the opposition party National Action Party (PAN) with support from the private sector and middle classes has shaken the confidence of the ruling revolutionary party. More than an ideological difference, this opposition reflects a practical concern over government economic policies, which they see as destroying the productive sectors of the economy. The PANists and their allies are conservative in the sense of being anti-socialist on economic matters although much of their discontent spreads into social and cultural issues.

Because the U.S. is viewed by the private sector as the key to pulling Mexico out of its economic hole, the PANists advocate improved relations with the U.S. Although many members are inherently anticommunist, this conservative coalition opposes its government's policies in Central America primarily because they contravene U.S. interests too explicitly. For example, many in the private sector already have urged the Mexican government to push for the Nicaraguan political reforms demanded by the U.S. and an end to support for the guerrillas in El Salvador.

The Left in Mexico is also a problem for the Mexican government, although its threat to the ruling party, at least at the polls, is not as great as that coming from the PAN and its allies. Leftist opposition, moreover, tends to be defused by the anti-U.S. foreign policy and the predominantly socialist economic policies of the government. In addition, the Mexican government often assists the Left and its organizations in areas where the Right offers the greatest threat to the government. The Left, which includes such other political parties as the PSUM (in effect, the Communist Party of Mexico) as some members of government, has been very critical of Mexico's recognition of the Salvadoran government of Jose Napoleon Duarte. In response, de la Madrid's government points to its role in bringing the U.S. and Nicaragua to the negotiating table, a move which has received considerable attention in the press and favorable responses from the left.

PACIFIC INTERESTS

Mexico's importance as a producer of oil has created important trade and financial links with Japan, which may be surpassing those with Western Europe. For example, in the 1983 fourth quarter Japan was ranked second to the U.S. in its volume of trade with Mexico; Japanese investments in Mexico amount to \$1.2 billion.

Japan's interest in Mexico derives mostly from its desire to reduce its dependence on Middle East oil, particularly since the Iran-Iraq war has placed oil shipments out of the Persian Gulf in constant jeopardy. In addition, Japan's search for low labor costs has led to extensive direct investment in Mexico since the late 1970s.

Mexico, seeking to reduce its economic dependence on the U.S., to find new markets for its oil, and to diversify its exports, has welcomed Japan's interest. Perhaps reflecting future expectations along this line, Mexico initiated plans to build with Japanese financing an oil pipeline from the east coast oil fields to west coast ports, where the oil can be loaded onto waiting Japanese ships.

Although the economic crisis has restricted Japanese imports and investments into Mexico, Japan maintains a large stake in Mexico's economy, because of the large exposure of Japanese banks

in Mexico, which is second only to the U.S. Japanese-Mexican relations have the advantage of being free from historical antagonisms that complicate U.S.-Mexican relations. With its economic influence Japan may therefore be better able to urge the Mexican government to promote private direct investment and pursue the kind of export-led growth that has transformed many Asian economies in the last decade. Such efforts by the U.S. have been rejected by the Mexican government as interference in their internal affairs.

POSSIBLE U.S. INFLUENCE ON MEXICAN FOREIGN POLICY

Despite the less than harmonious nature of U.S.-Mexican relations, many common interests and shared concerns exist on which improvement can be based. For example, Mexico is increasingly concerned about its internal security, which is vulnerable to widespread unrest and outside turbulence. The U.S., concerned with the stability and security of the entire region, obviously does not view a political or economic collapse in Mexico to be in its interests. Both country's concerns therefore are intertwined and provide common ground for equitable negotiations.

U.S. policy makers are hesitant to mix economic and foreign policy goals and prefer to arbitrate these matters separately. This is not inherently unwise, although the results tend to be short term and favor economic interests over foreign policy objectives. Mexico, moreover, because of an ingrained suspicion of U.S. motives is more adamant than most countries about their separate negotiation. Added to this is the rejection by Mexico of most efforts to link U.S. economic concessions to Mexican internal politics.

For three reasons, the U.S. now is in a position to be more forceful. First, Mexico is in dire straits economically and depends heavily on the U.S. to avoid a bankruptcy that could trigger domestic instability. Second, the the prevailing judgment in Central America no longer favors Marxist-Leninist regimes but rather democratic movements and governments, a position that coincides with U.S. interests. Mexican foreign policy has reflected this shift with its belated recognition of the democratically elected government of El Salvador. Third, because the U.S. has reasserted its influence in the region with considerable support from its allies in Central American and elsewhere, Mexico's influence and power has been circumscribed significantly.

These factors directly affect Mexico's ability and willingness to undermine U.S. Central American policies. U.S. policy makers must recognize the opportunity this affords for influencing, even if subtly, Mexican foreign policy considerations. By recognizing Mexico's present limitations internally and regionally, the U.S. can act more decisively in its own important role in the region.

Direct pressure, however, will only unite differing factions in the Mexican government and compromise those who might otherwise push for moderate policies. The U.S. thus must work through its democratic allies in the region to achieve its foreign policy goals. Success with this approach has forced Mexico to recognize the elected Salvadoran government. This clearly supports U.S. efforts, whether Mexico concedes as much or not.

Without strong U.S. support, many of the democratic nations in the region will come under increasing pressure from Nicaragua and Mexico to accommodate their foreign policy goals. For example, Costa Rica, which has no army or effective defense system and is repeatedly attacked by Nicaragua, tries to play safe through its neutrality, which is aimed at appeasing the Sandinistas by keeping the U.S. military out of Costa Rica. Sandinista military attacks on Costa Rica meanwhile have continued. Mexico, aligned with the Sandinistas and exerting a strong economic influence over Costa Rica through subsidized oil sales, has been encouraging Costa Rica to be less antagonistic toward the Sandinistas and less supportive of the U.S.

Thus the U.S. must offer Costa Rica greater economic assistance to escape its dependence on Mexico and security assistance to withstand Sandinista military pressures. U.S. commitment to Costa Rica's defense and economic well-being would not only give Costa Rica more breathing room but would discourage Mexican interference in Costa Rican affairs. Since the Mexican foreign policy establishment generally remains committed to a leftist ideology that threatens the democratic process throughout Central America, U.S. strength and resolve is the best way to influence and discourage Mexico from pursuing such policies.

ECONOMIC ASSISTANCE

Despite the differences between the U.S. and Mexico on foreign policy, the U.S. should not abandon efforts to resolve important trade and investment issues with Mexico. The U.S. should continue working for an agreement on the issues of tariffs and countervailing duties. Mexico's request that an injury test be used, requiring proof that Mexican imports hurt U.S. domestic products before penalties can be imposed, should be given fair consideration in light of Mexico's willingness to cut back subsidies on its exports. In addition, Mexico should be encouraged to expand foreign investments in its country. It can do so, however, only by guaranteeing investors that they will be able to repatriate their profits and that their investments will not be expropriated without compensation. In return, the U.S. could agree to make available incentives and promotional resources to those U.S. companies and investors interested in Mexico.

While continued economic assistance should be a component of U.S. relations with Mexico, the U.S. should not be blind to the ideological factors, which heavily influence Mexican foreign and

domestic policies and are the source of the many conflicts in U.S.-Mexican relations. A better understanding of the rationale behind Mexican policies and their clear-cut socialist bent is essential for formulating realistic and productive policies toward this difficult but important neighbor.

MILITARY ASSISTANCE

The increasing concern over political unrest in Mexico's southern oil-rich provinces may force the Mexican government to place greater emphasis on the development of its defense forces. The U.S. should offer to provide training in counterinsurgency and irregular warfare tactics and strategies as well as make available at low cost the necessary equipment and arms to support a viable defense. Although any kind of U.S.-Mexican military cooperation may be rejected by Mexico because of domestic sensitivity to U.S. influence on Mexican affairs, the U.S. should make clear its interest in Mexico's security through its offer of help.

CONCLUSION

Mexico's prominence among Western Hemisphere nations, its enormous, if questionable, credibility abroad, and its commitment to leftist revolutionary formulas have made it an irritating opponent of U.S. policy in Central America.

U.S. efforts to coax and pressure Mexico into a less antagonistic stance have been largely unsuccessful and will probably continue to be so as long as Mexico's commitment to Nicaragua and Cuba overrides its stated commitment to the principles of sovereignty and self-determination, and so long as regional interventions and a military presence are seen as transgressions on the part of the U.S. but not on the part of Cuba and the Soviet Union.

The differences of ideology are too deep to be easily resolved. Mexico will change only if it finds itself, as it has recently, isolated or if economic necessity requires that Mexico's national interests prevail over ideological considerations.

The U.S. position meanwhile has gained strength, more because it coincides with the existing aims of the majority of the nations in the region than because of its own presence and influence. Central American countries prefer democratic elections over revolution and Marxist government. Costa Rica, El Salvador, Honduras, and the democratic opposition in Nicaragua as well are arguing that the establishment and survival of democracies offer the best chance for lasting peace.

Mexico's foreign policy of supporting the Sandinistas against the democratic aims of its own people and of its neighbors is

slowly undermining its position as a regional leader. Mexican policies are being overridden by the wide support for regional democratic aspirations and by the shared perception that the antidemocratic goals of Nicaragua and its communist allies are the real threat to regional peace. Mexico prides itself on its "independent" foreign policy, but it will be truly independent only when its foreign policies cease to reflexively oppose most U.S. policies in the region.

Mexico's own security concerns may in time alter its fear of U.S. involvement in the region, but until then, the best course open to Washington is continued cooperation with other Central American nations to win Mexican support for their goals of peace and democracy.

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