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First Impressions

Mexico Prepares for Day of Dead in Critical Condition

BY WILLIAM F. FOOTE

MEXICO, Mexico City

October 29, 1995

"I am a vampire," says Guadalupe Montiel de Castillo, 66, throwing back her gray ponytail. Shining underneath a black satin cape with crimson collar, she flashes plastic fangs at three grandchildren sitting on the bed. They cower, suck their fingers, and then giggle. Victor Manuel Castillo, 38, Guadalupe's son, pushes through a trash-bag stuffed with colorful disguises. "Here is my favorite," he says, draping a skeleton suit across his chest and smiling with pride. "We make all kinds of costumes for the Day of the Dead, you see: *bruja*s, ghosts, goblins, vampires, monks, nuns, you name it."

The five-member Castillo family run a costume factory out of their home in *Colonia Federal Burocratica*, a working class neighborhood on the outskirts of Mexico City. Since 1990, they have turned a profit with their ghoulish outfits. In high season, the Castillos have employed up to 20 sewers and fabric cutters from the neighborhood. Disguises sell for 35 pesos each (U.S.\$5.20) at outdoor markets in the downtown area.

"We make about 100 costumes a week," says Victor's younger brother, Jose Luis Castillo, 28, a paunchy ex-construction worker who also sews and keeps the books. "My godfather had the idea originally. He designed horror masks for the Day of the Dead and suggested we make costumes to match."

On November 2nd, the Day of the Dead, Mexicans believe the souls of the deceased return each year to visit their living relatives. Families gather in graveyards to picnic and spend the day and night with their departed. By mid-October, bakeries throughout Mexico fill with death-themed sweets, like sugar skulls, and outdoor markets teem with costume shoppers.

"Orders are usually crazy this time of year," says Juan, opening the door to the workshop. Inside, three women



Victor displays skeleton suit

"I propose to live in Mexico and test the actual impact of free market reforms on the lives of real people."

With this sentence, William F. Foote began his 1994 application to the Institute of Current World Affairs for a two-year fellowship. He was then working as a financial analyst in the "Emerging Markets Group" of Lehman Brothers, exploring investment prospects throughout Latin America — a region, he said, that the international banking community considered "back on track" after a decade of political isolation, extreme economic difficulties and hyperinflation.

"Personally," he said, "as a former student of Latin American economic history and that region's mercurial relationship with Wall Street, I question such unbridled optimism. As a lowly financial analyst in a stiff organizational hierarchy, however, I do so quietly." This was written, incidentally, before the devaluation of the Mexican peso and the economic maelstrom that followed.



A 1990 history major at Yale University (thesis: "Modern Basque Nationalism"), Mr. Foote underwent intensive Spanish language study in Guatemala before working for a year and a half as a reporter and copy editor for the *Buenos Aires Herald* in Argentina. In 1993 he received a Master of Science degree in Development Economics at the London School of Economics before taking his Wall Street job.

Mr. Foote is married to Virginia Rheinfrank of Kansas City, Missouri, whose education and career path parallel his: Her 1990 Yale B.A. was in Chinese History, followed by Chinese-language study at Middlebury College and Beijing University, followed by jobs teaching and representing the U.S. China Business Council in Beijing, followed by a London School of Economics Master's in Development Economics. At the time of her marriage to Mr. Foote she was working as an emerging markets analyst for another Wall Street firm.

crouch over sewing machines that click and hum. The walls drip with red-barbed Satan tails and foam stuffing for pumpkin costumes. "But things are slow now, really slow. This time last year, we had 19 seamstresses working seven days a week."

Workshop tour finished, Victor shimmies a ladder to the roof, which he constructed by splicing plastic bags with corrugated cardboard and scraps of tin. Shoving through four rows of hanging laundry, we arrive at a tiny patio with one rusty lawn chair.

"I'll tell you something," he says, "and I don't want my mother to hear." We stand together facing Mexico City, which sprawls on the horizon under a thick blanket of yellow haze. "You see that?" He points down the hill at plywood shanties clustered along steep footpaths. Heat vapors make the parched valley below seem to wobble. "We could be there again soon."

"This year has been a disaster," he continues. "The problem is, the costume season always started in July, but this year, [not until] mid-September. We sold over 2,000 costumes in 1994. We'll be lucky to sell half that now." Victor turns towards me and crosses himself, his frown breaking into a half grin. "Still, we do have jobs don't we, unlike nearly everyone else around here. And there will be Santa Claus and angel costumes to sell in December. So we'll survive."

Eva Velasco Lopez, 27, one of the three seamstresses, is not so optimistic. "I lost hope this summer," she told me a week ago, in the comfort of a wood-floored parlor in Colonia Condesa, a middle-class neighborhood in downtown Mexico City. Eva also works one morning a week as a housekeeper. "You don't know how bad it has gotten. Tortillas, electricity, water, everything increases almost every day. And the bus fare, it's up over 50 percent this year. I just can't keep up any more."

"My best friend left Mexico City last month, returning to Chiapas, where her mother lives. I have five other friends who plan to move, too. God willing, next year we'll get back to Tampico [a northern state], where we still have family. It's not much better there but at least we don't have to pay rent. All I know is I can't survive here any more, not the way things are."

Welcome to *la Ciudad de Mexico*, a city of some 22 million people in the throes of severe economic crisis. Most people have read the big story: that Mexico's economic bubble burst in January; that President Ernesto Zedillo's government jolted the world financial markets by devaluing the peso; that blindsiding the United States and others jeopardized 12 years of efforts to insert Mexico into the global economy.

But the little stories really shape reality for Mexico's 91 million people. Experiences that tell of the shocking icy water the crisis has splashed on people like the Castillos. Families who had climbed part way up their neighborhood ladder, only to see themselves tumbling again. Or people like Eva Velasco who, before the crisis, remained at the bottom but could at least survive there. For her, and millions of others, January's icy splash has become a numbing downpour.

Welcome to a city where staples like milk, eggs and cooking oil have begun to look like luxury items. Where basic food consumption falls by nearly twenty percent in a month.¹ Where Eva Velasco is fortunate to earn 200 pesos a week, or close to five dollars a day, when the minimum daily wage in Mexico averages barely three.²

Significantly, in the country at large, the problems of the poor are matched by hardship for the middle class, perhaps 40 million of Mexico's most disillusioned.³ The people who benefited most from the consumer boom of the early nineties that the government subsidized with an overvalued peso. Families that had fulfilled dreams of buying cars, homes, putting the kids in college. Dreams turned to nightmares in the wake of the devaluation, as adjustable mortgages sky-rocketed, as banks repossessed houses and cars in record numbers, and as well over one million workers lost jobs in a country with no unemployment insurance.

Despite massive streamlining, most Mexican companies remain in critical condition. Forty businesses

fold each day in Mexico, adding to a casualty list totaling 120,000 since the crisis broke. *El Financiero*, Mexico's financial daily, reports domestic industry sputtering along at 30 percent to 50 percent of installed capacity.⁴ During the first half of 1995, almost 95 percent of the small- and medium-size businesses reported a 50 percent drop in sales. Business leaders warn that if the internal market is not reactivated soon, "the majority of small- to medium-size companies ... will soon disappear."⁵

But this is not meant to be a report on the state of Mexico's crisis. It is, at best, a snapshot impression of a country where Gina, my wife, and I will live for the next two years. We have been in Mexico City for only twelve days, sleeping on a friend's couch. Just barely enough time to lose the side-view mirrors on our car to someone in greater need.

But we expected that. We were told it would be chaotic, that things had changed. "You might not notice more than the countless vendors selling useless items on every street corner," said Luis Lopezllera, a founder of *Promocion de Desarrollo Popular* (Promotion of Peoples' Development), a non-governmental organization here in Mexico City. "But social dislocation is unraveling our Federal District. To give you an idea, over 500 assaults are reported every day—not to mention those left unreported; one cop is killed each week; there is at least one suicide per week on the subway, people throwing themselves on the tracks ... Heck, I was mugged around the corner a month ago. People are really desperate."

For us, it all started at the U.S.-Mexico border along the Rio Grande at 5:00 a.m., a sense of disorder. "Trucks used to line up all the way back to the mall, you can see it up there," says Tom Castillo, 26, a Chicano toll booth attendant in Laredo, Texas, the busiest customs post on the border. Mr. Castillo points north toward the Sears shopping center spread along a vacant parking lot. "They are having a tough time, the malls, you know. None of the Mexicans come over here to shop anymore. No money I guess."⁶

Dawn covers our car and the toll plaza with semi-darkness. I feel chatty, glad to have beaten the snarling traffic jams. Mr. Castillo continues: "Last year we'd get about 2,000 trucks a day, now only 600 or so. But still, that's up a lot from a few months ago."

1. Mexico registered, from August to September, an 18% drop in basic foods consumption. *El Financiero*, Oct. 18, 1995.

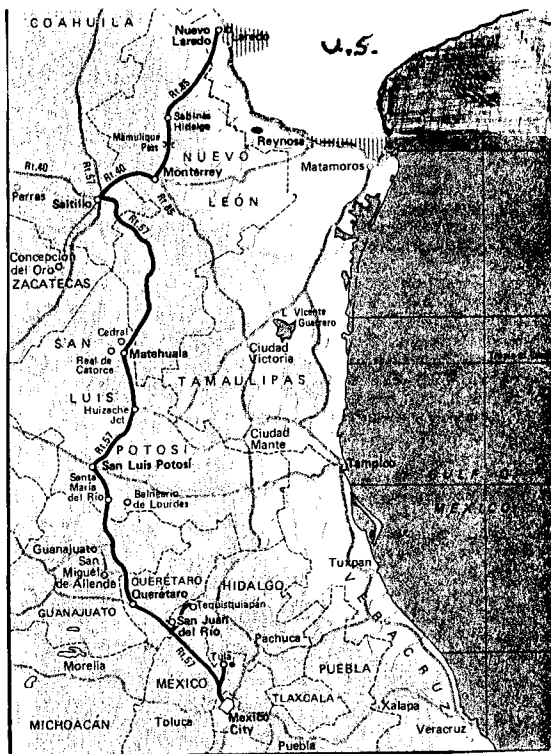
2. *The New York Times*, July 16, 1995.

3. Middle class is defined here as everyone who earns enough to keep from being hungry but who is not wealthy enough to join the richest 10%.

4. *El Financiero*, Oct. 18, 1995

5. *El Financiero*, Oct. 14, 1995.

6. Business may improve in Laredo as a consequence of a relaxed duty-free cap announced by the Mexican government recently. Starting November 1st, Mexicans who live along the border and cross into the U.S. by land will be allowed to bring as much as 400 dollars in U.S. goods back into Mexico per person monthly without paying tariffs.



I place my coffee on the dashboard and my mind clicks. Why the increase in trucks Mr. Castillo mentioned? Mexico's manufacturing economy is adjusting to the peso devaluation by increasing exports. So are U.S. companies with *maquiladora* operations in Mexico.⁷ The Sonys, Johnson & Johnsons and General Motors are compensating for the collapse of domestic demand in Mexico and taking advantage of cheaper labor costs, in dollars. Mexican companies are increasing their export capabilities, too, importing 34% more capital goods since April. It makes sense that there were only 350 to 500 constant exporters in Mexico last year, while today there are around 3,000.⁸

Isn't this healthy? "Yes," says Mr. Lopezllera, whose non-governmental organization supports hundreds of microenterprises in Mexico. "The problem is these exporting companies you mention, the ones that can actually compete globally, you can count them on four hands."

I had not considered these issues as we whizzed south past eighteen wheelers yesterday, approaching Laredo, *en route* from Kansas City. After two full days on the road, we had more pressing issues at hand, like crossing the border.

7. Currently some 2,200 companies have *maquiladora* operations in Mexico. *Maquiladoras* operate on a simple principle: you can ship your raw materials and parts from the U.S. to Mexico, where they will be processed by low-cost Mexican labor and returned to the U.S. as finished or semifinished products, paying customs duties only on the non-U.S. portion of the product.

8. *El Financiero*, Oct. 18, 1995.

9. *El Financiero*, Oct. 11, 1995.

"You're going to live over there?" asks another American customs agent with a southern drawl. "Welcome to Mars."

"Shut up," barks Mr. Castillo. His buddy is overseeing 18 Mexicans who squat in the grass to our left, leaning against a 12 foot wire fence that runs parallel to the Rio Grande. "Illegal immigrants," the agent snarls under his breath.

During the first seven months of 1995, nearly 700,000 Mexicans found jobs illegally in the U.S., impoverished workers escaping economic crisis and drought.⁹ If caught, many pass through Laredo on their way back to Mexico. "The border patrol brings back 1,385 illegal Mexicans a day," says Mr. Castillo, referring to the entire U.S.-Mexico border. "Last week I saw like seven of them they'd caught in Nebraska!"

I pay Mr. Castillo a \$1.25 toll, brandishing my FM3 "visitor's" visa (one year residency), fruit of three months of haggling at the Mexican Consulate in New York City. Gina readies a list in Spanish of our household items crammed in the trunk, as well as the serial numbers for our electronic goods. We motor onto the bridge. Murky morning light begins to illuminate Nuevo Laredo on the far bank, a town with a stable population of 220,000, most of whom are asleep. Flickering street lamps reflect off the Rio Grande below as our minds go racing.

Minutes later: "You'll have to go back to bridge No.1 and talk to a customs agent, he can inspect your household goods," the border guard says. "We can't do it here on bridge No.2. That means turn your car around, go back to the U.S., and enter through the other bridge. They'll inspect your car." I thank him for his assistance. "Oh, and by the way, their office opens at 10:00 a.m."

My watch now reads 3:30 p.m. Trucks are rumbling back and forth across the U.S.-Mexico border, carrying tomatoes, chewing gum, Ford Broncos, electric generators, and Maybelline mascara. Just off the road underneath a lofty tin roof, sweaty border patrols tote automatic weapons, directing four-by-fours toward the inspection ramp, or on their way, with thrusts of the chin. Teenage ragamuffins lurk curiously around our steel customs examination table. Once packed neatly into four wooden trunks, our worldly possessions (computers, radio, blender, shoes, sweaters) are flung open on display, baking like roadkill in the afternoon sun.

"That will be 120 dollars," says Gustavo Castillo Estava, our customs agent, his feet encased in snakeskin and brass-buckled loafers. "You're all set, and you don't have to pay any taxes on your household goods." I com-

ply, grudgingly. One hour later, we head south, car permit and stamped passports in hand. Onward, finally.

Was I a midwife to the birth of this blacktop beast? I ask myself this question as we pay the first of many exorbitant sums to gain access to Mexico's 3,000-mile toll-road network. I helped finance turnpikes on the global capital markets when working at Lehman Brothers, the investment bank, in their Latin American Emerging Markets Group. One of those Wall Street highway projects runs between the city of Toluca and Mexico City. In 1993, *The New York Times* summed up its success:

"Hardly any big trucks, and not many cars, use the fancy new toll-way from Mexico City to Toluca — three smooth asphalt lanes in each direction. For just the 14 mile stretch to Toluca, the auto toll is equivalent to U.S.\$6.30 and it's twice that for trucks. By comparison, motorists can travel the entire 148 miles of the New Jersey Turnpike for U.S.\$4.60."

Toll roads are a big deal in Mexico. When President Carlos Salinas de Gortari took office in 1989, there were only about 600 miles of superhighway in the whole country. During his *sexenio*, pay highways became the flagship example of how to provide big infrastructure financed by global capital. Private investors would theoretically be repaid with the bulk of toll charges for up to 20 years. More than 2,000 miles of blacktop were built from 1989 to 1994. There was just one problem, however: the Mexican toll roads are the most expensive stretches of asphalt in the world. Virtually no one uses them.

The asphalt of Route 85 to Monterrey looks like black slush spilling toward the Sierra Madres. Across this arid desert of north-east Mexico, countless Joshua trees jut from the earth, a sea of defiant and prickly fists. As we zoom across the 250-mile stretch of nearly empty plateau, I think of those "pitch books" we prepared for Lehman Brothers' clients, marketing tools that boasted of the success of the Cuernavaca-Mexico City toll road we financed for the government. "It's much better than Toluca," we would explain.

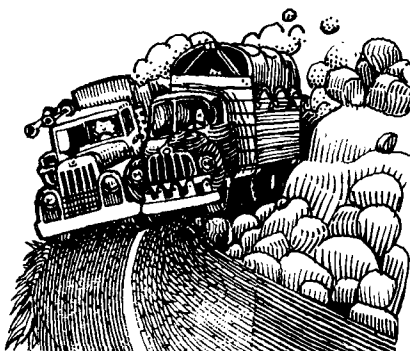
"The toll roads are in big trouble now," admits Dr. Alejandro Valenzuela, director of International Financial Affairs at the Mexican Finance Ministry. "The government has taken over most of them and renegotiated some concessions to 50 years." Dr. Valenzuela advocates the construction of another 2,700 miles of expressway in order to close the loop, to ensure all the roads are well connected. But first things first. "Few people drive on the interstates today; this is an urgent problem. We are currently searching for ways to bring the tolls down so that some Mexicans might start using them."

Mr. Lopezllera of *Promocion* disagrees. "Farmers, the

poor guys, they'll never use these highways. I think they were designed for extraterrestrials."

Approaching the spiny cliffs, canyons and peaks of the Sierra Madre Oriental, I see no spaceships, but Route 85 is almost empty. A blue Ford Bronco dashes by, carrying stylish passengers up and over gray shimmering mountains and on to Monterrey. Meanwhile, back on the desert plateau and to our left, scores of eighteen wheelers kick clouds of dust as they lumber down the alternate freeway that runs parallel to the toll road.

Where is that toll road when you need it? We journey by regular highway now. Route 57, wending southward, is a narrow, two-laned road with no shoulder. Driving is a constant battle for survival. The tollways end after circumventing both Monterrey and then Saltillo to the west, a modern industrial center and the capital of Coahuila state. Soon after, donkeys, stray dogs, cows and pedestrians emerge from the brush, some straggling onto the road. Behind them, mountains soar as twilight casts a magnificent light on the western face of the sierra, in stark contrast to the dark and illegible slopes across the valleys. On the roadside, shrines and crosses commemorate the losers of countless fatal confrontations. Trucks roar all around us, passing recklessly, belching diesel exhaust into our air vents.



We retire for the night in Matehuala, a sleepy town with a pleasant *zocalo* (main plaza), half way along the 282-mile stretch between Saltillo and San Luis Potosi. Early the next morning, back on the main highway, rugged mountain terrain descends into a vast desert expanse. Potholes demand slow driving, time to observe. Beside a giant agave, a baby coyote peers at us, swaddled in a blanket under a woman's arm. *Tuna*, fruit of the prickly pear cactus tree, is also for sale. Dried rattlesnake skins drape from roadside huts. Mules bawl at our horn.

Slick Pemex gas stations, like the ones we saw outside of Monterrey, reappear as we leave the arid plateau, approaching the central highlands of Mexico, the Bajio region. Desert rats and clay huts give way to fighting bulls and silos. As Route 57 twists through Mexico's agricultural heartland, fertile farmlands, rivers, trees and maguey fields dominate the landscape.

This also is a center of heavy manufacturing, petrochemical processing and petroleum refining plants. Mexico's richest mining region, Bajio's minerals attracted the Spanish, who built the famous silver cities. We navigate through two of them: San Luis Potosi, the bustling capital of the state of the same name, and Queretaro, the capital of Queretaro state. West of the latter lies the city of Morelia, in the state of Michoacan, another silver town where we plan to live this fall and



*Marionettes made for Day of the Dead
after 1985 earthquake.*

early next spring. Our first destination, however, is Mexico City, which lies 200 miles south of Queretaro. We arrive easily. Sunday offers light traffic and, of course, the toll roads are empty.

What the heck is going on? I ask myself that as Gina scurries down the steps of the apartment of our friend, Juliette Levy, who afforded us a room in which to sleep in Mexico City. "Come on!" Gina shouts. I feel motion sickness. The lamp above my head is swinging. No, it could not be. An earthquake on our first day?

Sure enough, a seism measuring 7.5 on the Richter scale has hit the Pacific coast of Mexico. I join hundreds of neighbors pouring downstairs. Dead silence shrouds the street, everyone waiting for something to happen, I guess. Nothing does. Someone shouts, triggering a collective sigh of relief. And as we mill about, damage from the tremor crushes 70 people to death in the western states of Jalisco and Colima.

It was a cruel way to recall the brutal earthquake that shook Mexico City to its foundations ten years ago, killing as many as 10,000 people, flattening 400 buildings. Colonia Condesa, Ms. Levy's neighborhood, was one of the most devastated areas in the capital. The ground lies unstable here because the Spanish built the quarter on land fill covering Lake Tenochtitlan. "Don't worry, this place survived the big mama in '85, it's not going to fall down," Ms. Levy assures us, back inside her building, which was constructed by English engineers in 1908. "And no, this does not happen every day."

The ground shakes again. This time we are parked in the Zocalo, the heart of Mexico City — and of the country. The famous square has hosted coronations, revolu-

tions, and Mexico's first bull fight. Tonight, a demonstration of thousands of teachers, protesting against measly wages, winds down in front of the National Palace, originally Cortes's headquarters and now Mexico's presidential offices. Drums pulsate across the huge Plaza of the Constitution, mixing with slogans blaring through loudspeakers. Turn-of-the-century electric globes illuminate the scene. Dark shadows fall from an iron fence surrounding the National Cathedral, where unemployed workers line up by day, placards at their feet identifying carpenters, construction workers, electricians for hire.

"All of Mexico's problems are played out here on the Zocalo," says Eugenio Robles Aguayo, 30, subdirector of government affairs for the district of Tlahuac, one of 16 precincts into which Mexico City is divided. "And man, have we got problems," he says, turning the wheel of his white, government-issued Ford pickup truck. "There are demonstrations like this every day now — peasants, unions, indigenous groups. Not only here, either. You should see our offices in Tlahuac."

Mr. Robles, card-carrying member of the PRI, the ruling party, blames the difficulties on budgetary constraints generated by the recession. The following week, I visited him in Tlahuac, a poor industrial zone of some 350,000 people located about 45 minutes south of downtown by car.

"Our budget allocation [for Tlahuac] from Mexico City, approved in January, was 30 million pesos (U.S.\$4.5 million) to go toward infrastructure development, social services, etc. Due to the crisis, that money was withheld for eight months. We only just received our allocation in September. You can imagine how patience runs thin."

Back near the Zocalo, Mr. Robles's white truck rounds a corner and stops before the Bank of Mexico. Sounds of pattering feet and walkie talkies approach. Two policemen sprint down the cobblestones in the direction of the teachers' march, pistols drawn. Quiet returns. Street lamps shine on the central bank's stony facade and I think of what Mr. Sergio Munoz, an editor at the *Los Angeles Times*, told me two weeks ago.

"The most interesting shakers in Mexican civil society today will be protesting by the Bank of Mexico." Mr. Munoz was referring to the Barzon movement, which counts over a million members, mostly farmers and small businessmen who have lost businesses or gone bankrupt during this year's recession. The group's members and other debtors have seen interest rates fluctuate from 17 percent before last December's peso devaluation to rates well over 100 percent in March. While rates have declined in the past few months, they have recently been on the rise again, nudging above 40 percent in September.

"It is a very interesting movement, the problem of the debtors," said Mr. Lopezzlera of *Promocion*. "You



Unemployed workers line up in front of National Cathedral in Zocalo.

know you had the same type of development in the U.S., from '29 to '32." The first floor of Mr. Lopezllera's office building houses a *Caja Popular*, a neighborhood cooperative that lends small amounts of money at no interest. "Last year, over 50 families saved money every week downstairs; now there are only twenty. They aren't able to save and they cannot pay their debts," he said, adding that "yes, some of them are members of El Barzon."

"What El Barzon does is simple," continued Mr. Munoz over lunch at his *L.A. Times* office. "For example, when the 'repo men' come to repossess a house, or a car, the local members gather. Then a hundred or so of them show up and circle the house, or the car, wielding sticks and bludgeons. Nobody repossesses anything."

El Barzon is currently building a tent city in front of the Supreme Court building. Their leadership is urging its members to end all debt payments by November 19 if the group is not granted meetings with government officials and bankers that it has sought all year. "They're putting their foot down, you see," Mr. Munoz concluded. "They're saying we simply cannot and will not pay."

El Barzon, the Zapatistas, a new wave of violence sweeping Guerrero state¹⁰, a town insurrection in the state of Morelos—why has the situation here gotten so bad? President Zedillo offered his theory this summer. It is quite simple: "a small group of bad guys" who re-

sisted changed are probably behind the violence that has shaken the country.¹¹

Michael Jacobs, a project officer at the Inter-American Development Bank in Washington D.C., has another explanation. According to him, movements like El Barzon reflect a weakening of the Mexican government's totalitarian capacity. Mr. Jacobs suggests the space for autonomous civil action in Mexico is increasing thanks to the 1985 earthquake, which produced an "irreversible change" in the relationship between government and society.

"The ineptitude of the government's initial response to the disaster marked a break in most Mexicans' minds. The government lost prestige there in a way that it quite frankly has never recovered. And I think that the prosperity that was either apparent or about to come about under Salinas, and his own political skill, disguised this for a bit. But the speed with which that turned around, when last year things went wrong for the strategy is actually a reflection of the underlying change that happened with the '85 quake."

Mexico's Finance Minister Guillermo Ortiz Martinez seems almost encouraged by the civil strife. Speaking to the press on the eve of President Ernesto Zedillo's recent visit to the United States, he called it "the natural sound" of democratic opening.¹² He followed with a litany of measures undertaken to alleviate the pain. These included a U.S.\$250 million fund announced in late September to help rebuild ports, railroads and bridges and an early payment of U.S.\$700 million on Mexico's U.S. debt, meant to show the world financial markets Mexico is indeed emerging from the crisis.

"We are applying the best economic strategy to surmount the crisis," assured President Zedillo at the presentation of the "National Development Plan 1995-2000" in May, 1995. Three months later, he lamented to the *New York Times* that "I know that this is going to be painful. I know that nobody is going to like it. But this is what the country needs."¹³

Today, Zedillo's recipe remains the same. In essence, Mexico should consolidate and intensify the structural changes undertaken over the last decade. Mexico should implement reforms to provide a broad, stable foundation of domestic saving. But, first, Mexico must "persevere with discipline" until the exchange and financial markets recover and inflationary pressures are reduced. Only then will Mexico achieve a gradual recovery of the economy and boost levels of employment.

Mr. Lopezllera of *Promocion* sees a fundamental flaw

10. Seventeen peasants were gunned down recently in a confrontation with the police.

11. *The New York Times*, July, 1995.

12. *El Financiero*, Oct. 10, 1995.

13. *The New York Times*, July, 1995.

in Zedillo's attitude. "He is perpetuating a madness that set in under Salinas. His is a strategy of giants... of the World Bank, the mega corporations. They all view Mexico with telescopic vision. But with telescopes you look at planets. It is time to focus on microbes, on cells. Because in Mexico, there is absolutely no correlation between the capital inflows and the microeconomy. And if the cells are dying — which they are — then so too must the body die."

We took a trip from Mexico City to a town nearby for a little microbe analysis. Draping the facade of a colonial style city hall, a spray-painted banner reads: "Death to the Traitors: Life to Our Reserves." From the building's eaves, a dozen effigies hang by the neck, each with a name. "Those are the members of the former municipal government," explains Juan Gonzalez, a short indigenous man standing on the front porch. He wears a cowboy hat and speaks Nauhatl, a language descended from pre-Columbian times. Bags of dried beans, portable stoves and photographs of recent clashes between government troops and locals surround him. "I'm from the neighborhood of Santissimo, at your service. Today is our turn to guard the town."

This is Tepetzlan, a community of 30,000 people nestled between jagged mountains in the state of Morelos, about 90 minutes south of Mexico City. Two months ago, reporters swarmed here to see what promised to be the next hot spot for international press coverage — lots of potential "bang-bang." Townspeople had skirmished with state riot police over a proposed golf club project, to be built on communal land reserves. The municipal government, hand-picked by the governor, sparked the conflict by calling a phony election at 2:00 a.m. Hired voters were bussed into town as police kept townspeople away from the ballot boxes. Enraged, the locals revolted, ousted the municipal authorities, took several hostages, and assembled barricades at the main entrances to the city. Armed with sticks, they waited for federal troops to arrive. They never did, and eventually, the reporters went away.

Nerves are calm here today. The sentries on the stoop of city hall play cards mostly, and gossip. Barriers ringing the town remain, as do the 24-hour neighborhood watches. The federal and state governments



Effigies of former municipal council hang from town hall in Tepetzlan, Morelos.

have chosen to ignore the dilemma, as well as the provisional municipal council the townspeople elected in early October. People in Tepetzlan seem frustrated. They resent the government's cold shoulder and complain that basic services have been cut. But many are also convinced that what happened here is important on a national scale.¹⁴

"I believe this goes beyond the golf course," said Pedro Diego Alvarado Rivera, 38, a painter (the grandson of Diego Rivera) who owns a house here in Tepetzlan. "I think it is an indictment of the abuse, a sign of the decline of our government over the past 70 years, from the revolution to today. If you see the people who live in misery in this country, in Mexico's indigenous towns, and then you consider the individuals in the government who rob millions and millions of dollars ... money that should have gone towards our schools, our hospitals. What they are effectively committing is bloodless genocide."

Craig Torres, the *Wall Street Journal's* correspondent in Mexico, suggests that people like Mr. Alvarado actually incited the rebellion in Tepetzlan. "The fact that this Pedro guy is a spokesman for the townspeople of Tepetzlan confirms my theory," he said, over a lunch plate of egg pasta in downtown Mexico City. Mr. Torres is convinced that wealthy Mexicans who already owned fancy houses in Tepetzlan would do anything to keep other rich *chilangos* (Mexico City residents) and foreigners from invading their playground.

14. Since our trip to Tepetzlan the conflict has escalated. On October 26th, two Tepetzlan protesters were shot in the neighboring village of Santa Catarina (5 km away) as 3,000 demonstrators faced off with 150 state riot police. Local sources say the confrontation began when municipal officials tried to open the national registry office in Santa Catarina. The consensus in the national press is that the police pulled the trigger.

"Do you think indigenous leaders have the money to hire a plane to drop pamphlets all over the state of Morelos in support of their cause?" the reporter asked.

But Mr. Torres feels differently about the Zapatista revolt in Chiapas. He said that the well articulated criticisms expressed by Subcomandante Marcos regarding the neoliberalist model pursued during the last decade have far greater appeal to Mexicans than Americans might think. Said Mr. Torres of the rebel leader: "His words are like sparks for the Mexicans. Sure, the grass is wet today. But imagine if it were dry."

I take a taxi back to Ms. Levy's apartment, still thinking about Mr. Torres's comments. The Volkswagen bug rolls through traffic down Paseo de la Reforma, Mexico City's Champs-Elysees. At the light, a pack of ten-year-olds scrub windshields for a peso, their faces and clothes caked with dirt. No cleaner, a man in his twenties sucks on a flask of kerosene. He breathes

flames for the same price. The light turns green. A new BMW dashes forth, followed by a white Ford Sedan in hot pursuit — bodyguards presumably. You see them a lot here.

Back at Ms. Levy's place, I greet the watchman who guards the neighbors' cars. Opening the apartment door, I find Eva Velasco just returning from a trip to the market. "Ah, you're here," she says, putting the groceries down and giggling. "Wait there." She disappears into the kitchen and reappears with a package for me. I reach inside and discover a costume for the Day of the Dead. A black cape and head dress unfurls toward the floor. "That's the wicked witch from Snow White. It's for Gina," says Eva. Buried underneath lies a skeleton suit. "Yours is *La Muerte* (Death)," she adds. "It's the best one." "Why?" I ask. "*La Muerte* is very important for Mexicans. He is the inevitable one. He pulls us all together." I thank her, hoping it never comes to that. □



Current Fellows & Their Activities

Hisham Ahmed. Born blind in the Palestinian Dheisheh Refugee Camp near Bethlehem, Hisham finished his A-levels with the fifth highest score out of 13,000 students throughout Israel. He received a B.A. in political science on a scholarship from Illinois State University and his M.A. and Ph.D. from the University of California in Santa Barbara. Back in East Jerusalem and still blind, Hisham plans to gather oral histories from a broad selection of Palestinians to produce a "Portrait of Palestine" at this crucial point in Middle Eastern history. [MIDEAST/N. AFRICA]

Adam Albion. A former research associate at the Institute for EastWest Studies at Prague in the Czech Republic, Adam is spending two years studying and writing about Turkey's regional role and growing importance as an actor in the Balkans, the Middle East and the former Soviet bloc. A Harvard graduate (1988; History), Adam has completed the first year of a two-year M. Litt. degree in Russian/East European history and languages at Oxford University. [EUROPE/RUSSIA]

Cynthia Caron. With a Masters degree in Forest Science from the Yale School of Forestry and Environment, Cynthia is spending two years in South Asia as ICWA's first John Miller Musser Memorial Forest & Society Fellow. She is studying and writing about the impact of forest-preservation projects on the lives (and land-tenure) of indigenous peoples and local farmers who live on their fringes. Her fellowship includes stays in Bhutan, India and Sri Lanka. [SOUTH ASIA/Forest & Society]

William F. Foote. Formerly a financial analyst with Lehman Brothers' Emerging Markets Group, Willy Foote is examining the economic substructure of Mexico and the impact of free-market reforms on Mexico's people, society and politics. Willy holds a Bachelor's degree from Yale University (history), a Master's from the London School of Economics (Development Economics; Latin America) and studied Basque history in San Sebastian, Spain. He carried out intensive Spanish-language studies in Guatemala in 1990 and then worked as a copy editor and Reporter for the Buenos Aires Herald from 1990 to 1992. [THE AMERICAS]

Sharon Griffin. A feature writer and contributing columnist on African affairs at the *San Diego Union-*

Tribune, Sharon is spending two years in southern Africa studying Zulu and the KwaZulu kingdom and writing about the role of nongovernmental organizations as fulfillment centers for national needs in developing countries where governments are still feeling their way toward effective administration. She plans to travel and live in Namibia and Zimbabwe as well as South Africa. [sub-SAHARA]

Pramila Jayapal. Born in India, Pramila left when she was four and went through primary and secondary education in Indonesia. She graduated from Georgetown University in 1986 and won an M.B.A. from the Kellogg School of Management in Evanston, Illinois in 1990. She has worked as a corporate analyst for PaineWebber and an accounts manager for the world's leading producer of cardiac defibrillators, but most recently managed a \$7 million developing-country revolving-loan fund for the Program for Appropriate Technology in Health (PATH) in Seattle. Pramila is spending two years in India tracing her roots and studying social issues involving religion, the status of women, population and AIDS. [SOUTH ASIA]

Cheng Li. An Assistant Professor of Government at Hamilton College in Clinton, NY, Cheng Li is studying the growth of technocracy and its impact on the economy of the southeastern coast of China. He began his academic life by earning a Medical Degree from Jing An Medical School in Shanghai, but then did graduate work in Asian Studies and Political Science in the United States, with an M.A. from Berkeley in 1987 and a Ph.D. from Princeton in 1992. [EAST ASIA]

Teresa C. Yates. A former member of the American Civil Liberties Union's national task force on the workplace, Teresa is spending two years in South Africa observing and reporting on the efforts of the Mandela government to reform the national land-tenure system. A Vassar graduate with a *juris doctor* from the University of Cincinnati College of Law, Teresa had an internship at the Centre for Applied Legal Studies in Johannesburg in 1991 and 1992, studying the feasibility of including social and economic rights in the new South African constitution. While with the ACLU, she also conducted a Seminar on Women in the Law at Fordham Law School in New York. [sub-SAHARA]

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