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MEXICO: THE KEY PLAYERS

Paul R. Wisgerhof
Senior Fellow

INTRODUCTION

Mexico's last revolution spanned exactly ten years, from November 1910 to the presidential election of November 1920. That revolution closed Mexico's first century of independence and opened the door to the blossoming of a new nation, based on a nominally democratic constitutional system and organized around a "triad" consisting of a one-party government, a business/financial/agricultural coalition, and a well-organized labor movement. Because Mexico has always been a land "governed," sometimes by strong men, sometimes by strong institutions, and sometimes by outsiders, it has no history of participatory democracy on the U.S. or European model. Nevertheless, today's Mexico, while still run from Mexico City, is not a traditional dictatorship. The "triad" components remain the key players in Mexico and act as a system of checks and balances, not, perhaps, as effective as that mandated by the U.S. Constitution, but with each element exercising a moderating role on the functioning of the others.

Although legally a multiparty nation, Mexico is effectively controlled by the Institutional Revolutionary Party (the PRI, in the initials for its Spanish name, Partido Revolucionario Institucional). All elected and appointed national government officers, all state governors, most mayors, and the majority of deputies and senators belong to PRI. Decisions by the government always have the concurrence of the Party, and the Party's decisions usually, but not always, have the government's concurrence. The constitution organizes the national government along lines very similar to those of the United States. For example, there are

This is the second in a series of Heritage studies on Mexico. It was preceded by Backgrounder No. 573, "Keys to Understanding Mexico: Challenges for the Ruling PRI" (April 7, 1987). Future papers will examine other Mexican political parties as well as the nation's economic and foreign policies.

executive, legislative, and judicial branches with nominal checks and balance on each another. The executive, however, is clearly supreme in the Mexican system, and for economic and political reasons, the checks and balances are much less effective than is the case in the U.S.

Cartels and Agribusiness. The business leg of the triad has three significant elements: the commercial/industrial interests, the financial sector, and the agribusiness groups. The commercial and industrial sectors tend to form cartels, which are dominated by a single family or small group of families and centered in a major city. The financial groupings sprang from major landholders and from the rapidly expanding and protected industrial sector. Agribusiness has flourished, particularly in the North and in Baja California, but it has been subjected to a series of land reform measures, reducing its economic and political importance.

The "maquiladora" system along the northern border, whereby U.S. and other countries' firms establish plants to assemble or finish manufactured parts made in the U.S. or elsewhere and reexport them, has flourished since the early 1970s. U.S. firms participating in this system get low-priced labor and pay U.S. duties only on the value added to their product in Mexico. Some 700 maquiladora currently are in operation. Foreign investment in Mexico is limited. Foreigners, generally, cannot own more than 49 percent of a Mexican operation. Some exceptions exist, and others could be granted if the government of Mexico decided to do so. Foreigners also face geographical restrictions on where they may invest, especially in real estate.

The most important labor union in Mexico is the Confederation of Mexican Workers (Confederacion de Trabajadores Mexicanos--CTM). The union, while not founded by PRI, has supported the party in every presidential election since that of Lazaro Cardenas in 1934. CTM claims over 11,000 affiliated unions and workers organizations, and its leader will always have an important voice in the government's daily operation. Four other large labor federations, which include public workers, peasants, and others in their ranks, are affiliated with the CTM through the Mexican Labor Congress. Significant independent unions include the Oil Workers Union, which controls the employees of the national oil company, PEMEX, and the Teachers Union, which is composed of all public school teachers, a majority of private school teachers, and about half of the university professors and instructors. Only professors and teachers at private universities are likely not to belong to the union.

THE GOVERNMENT

The "Party" and the Government

The PRI in many ways is the government of Mexico. The President has very nearly absolute authority to tell the government what to do, so long as the President's wishes do not overstep the Party's perception of the bounds of expediency and propriety. On the other hand, the President is consulted by the Party in making decisions on whom to

nominate for governorships, judgeships, and other major appointive positions, although not on most of the lower-level appointive and elective positions. Since nomination can be tantamount to election in any race in the nation, given the PRI's control of the elective process, it quickly becomes evident that the Party really is the government.

The Party's Central Executive Committee and subordinate secretaries wield extensive patronage powers. They can see to the appointment of almost anyone in office; likewise, they can seek the removal of those who do not perform. Since the Constitution mandates against the reelection or reappointment of officeholders, those who wish to remain in the apparatus in the next administration tend to go along with the Party's desires. On the more senior levels, an "old boy" network and each politician's obsequious group of hangers-on work together to assure that the Party's goals and objectives are met. It is assumed by one and all that the Party's desires are good for the nation. Thus, both the legislative and the executive branches are closely attuned to the Party's wishes.

Role of the President

While the Mexican government is organized on a basis very similar to that of the United States, it would be unwise to draw fine comparisons. The United States of Mexico (the nation's official title) are in reality ruled from Mexico City by the President. The legislative branch consults with him on most legislation, and the President's views are usually accepted by the ruling Party. The cabinet is, of course, appointed by him and is directly responsible to the President. The PRI's candidates for state governors are selected by the President. The Supreme Court, which appoints its own members, consults with the President before naming new Justices. The President sets domestic and foreign policy, determines the direction of financial and economic policies and is responsible for the performance of Mexico's large bureaucracy.

The President serves one six-year term. He cannot succeed himself nor can he be reelected subsequently. There is no Vice-President. Should the President die or be incapacitated during the first half of his term, a new election would be called. Should the problem occur during the second half of his term, the Chamber of Deputies (the lower house of the Congress) would appoint an interim President to complete the term. There would also be an interim president to fill the gap between the president's demise and the election of a successor, since Mexican law says there must always be a President for the nation to function.

However, while the President appears to be absolute and omnipotent--he is not. The President has to balance the competing interests of labor, the entrenched politicians, the Church, Army, business, and the Left.

The Cabinet

The Cabinet Secretaries consult with the President anywhere from hourly to once a month, depending on the importance of the individual Secretary's work to the formulation

of policy and whether or not there is a crisis in his or her bailiwick. The principal ministers exercise real influence on both the President and the nation, especially in the economic and foreign relations spheres.

The Secretariates are important for two reasons: 1) they are the home bases of the senior party bureaucrats and technocrats who run the nation; and, 2) since Plutarco Calles in 1924, no one has been elected President of Mexico who was not a member of the preceding cabinet. The constitution does not require such experience, but the PRI has found it a useful test of a man's technical and political ability.

In addition to the President, 21 men sit on the cabinet. Nineteen of them run Federal Ministries (called Secretariates) and two are responsible for the Federal District (its chief executive officer and attorney general).

The most important of the cabinet positions is the **Secretary of Government** Gobernacion, (in most other European and Latin American nations this is called the Ministry of the Interior). This Secretariate controls all of the vital domestic functions of the government. It operates the federal police and the prison system, and it controls elections, registration, and vote counting. Immigration and emigration are within its jurisdiction. The licensing of radio, television, and other broadcasting facilities and the granting of permits to purchase newsprint are handled by Gobernacion, which also allocates the access of political parties and others to noncommercial radio and television programs. The Directorate General for State Security also operates under Gobernacion.

The **Secretary of Programming and Budget** sets the government's spending priorities and allocates resources. This office controls who gets to purchase what and which requests for the next year's budget are heard. The direct impact of this office on the public is not as great as Gobernacion's, but for the bureaucracy, this office has do or die authority.

Next in line of importance comes the **Secretary of Commerce and Industrial Development**. This Secretariate controls the business and commercial development programs of the nation. It also grants, reviews, and may reject license applications by all the businesses and industries of the nation. Thus, should a major industry decide to oppose the government on some issue, whether or not it was related to business, the industry could find itself in serious difficulty with the government just in terms of being allowed to continue in business. This Secretariate also decides on where the government will invest its limited resources in industrial development, expansion of steel and other primary industries.

Fourth in importance is the **Secretary of Finance and Public Credit**. This Secretariate fills many of the same functions as the U.S. Department of the Treasury does, controlling the nation's money supply, supervising the banks, and controlling the government's access to foreign and domestic credit. This is where decisions are made regarding expansion or contraction of the money supply, public borrowing, and the operation of the banking system. Together with the Secretaries of Government, Commerce and Industrial

Development, and Programming and Budget, Finance and Public Credit is responsible for the execution of the annual budget.

Fifth in importance, because it has little impact on the domestic scene, is the **Secretary of Foreign Relations**. Foreign Relations fills a role analogous to the U.S. Department of State, but has little or no say in the field of immigration. The **Secretariate** is also the government's spokesman to foreign media. The Secretary of Foreign Relations works closely with the President in formulating Mexico's foreign policy. This has moved steadily to the Left over the past 30 years, and it should be expected to continue to do so. Mexico is the only nation in the Organization of American States that did not break relations with Castro's Cuba in 1962; it continues to maintain warm and cordial relations with Cuba to this day. Likewise, its relations with Sandinista Nicaragua are excellent.

Mexico prides itself on being open to the leftists who seek or have sought to overthrow their governments. Mexico City remains a hospitable refuge for the headquarters of guerrilla movements operating in El Salvador and Guatemala, just as it was to the Sandinistas prior to Somoza's overthrow. It is also the home base of the largest Soviet, East bloc, and Cuban embassies and intelligence operations in the hemisphere.

The **Attorney General** controls the courts and is the nation's lawyer but does not control either the police apparatus or the prison system. The **Comptroller General** checks on the other **Secretariates'** compliance with their budget obligations and works with the Secretary of Finance to monitor the operation of the nation's banks. Neither is as powerful as is the similar body in the U.S. system.

The **Secretary of National Defense** is the head of the Army while the Secretary of the Navy controls that organization. There is little coordination between them in upholding the government's desire to avoid a strong military. The Air Force operates under the aegis of the Secretary of National Defense.

The **Secretary of Agricultural Reform** and the **Secretary of Agriculture and Hydraulic Resources** control the nation's agriculture. Their decisions on agriculture, land reform, irrigation, and related issues directly affect the lives of some 30 million Mexicans still on the land. In terms of food production, they obviously are even more important to the daily life of the entire nation.

The remaining **Secretariates** include: **Communications and Transport**, which handles highways, ports, airports, and all communications, including the post office; **Education**, which covers all levels, except private universities; **Energy, Mines, and Parastatal Industries**, which handles electricity, mining, petroleum, and all state-owned industries; **Fisheries**, which concerns itself with offshore operations and fish farming; **Health and Public Assistance**, which provides health care at low or no cost to the poor and manages public health and sanitation; **Labor and Social Welfare**, which takes care of the usual labor concerns and social security; **Tourism**, which promotes tourism to Mexico and licenses foreign hotel operations and resorts in Mexico; and the **Secretary of Urban Development and Ecology**, who has a hopeless task.

The Legislature

The legislature is bicameral. The Senate consists of 64 seats, two for each of the 31 states and two for the Federal District. Senators are elected for six-year terms, co-equal with the President's. Senators may not succeed themselves, but they can be reelected after sitting out one term. Senators are usually nominated to their office by the PRI as a reward for good service in other jobs; it is not a steppingstone to higher office. Since 1929, the PRI has lost only one senatorial election, Oaxaca in 1976.

The Chamber of Deputies consists of 400 seats. 300 members are elected directly from congressional districts based on population. The remaining 100 seats are reserved for minority parties, and the members are elected by the parties at large. Deputies serve for three years, and they may not succeed themselves, although they may be reelected after sitting out one round. The PRI appoints its candidates as a reward for good work at lower levels, and uses the Chamber as a training ground for future jobs within both the Party and the government.

The legislature does not really legislate. It accepts suggestions for new laws from the executive, that is, from the Office of the President and from cabinet ministers. Legislative changes in the laws as received from the executive branch are usually cosmetic, not substantive. As might be expected, although the President can veto a law, it virtually never happens, since the executive proposes almost all legislation. All proposed legislation is discussed in the appropriate committee (there is one committee in each house for each ministry) and forwarded to the full chamber for discussion and passage. Amendments may be offered, but they normally deal only with the language, not with the substance of the law being proposed.

No Power of the Purse. Much of the legislation only implements decrees already promulgated by the President, which have the power of law until superseded by congressional action. Because of the President's ability to rule by decree, the Congress does not really have the power of the purse. The Congress sits for one official session each year from September 1st to December 30th. It is usually recalled by the President for another two-month term sometime between February and June, but this is not required by the Constitution. When Congress is not in session, a group of 30 members from each house sits as a "Grand Commission" to carry out such tasks as the Congress may need to complete, the most important of which is the confirmation of presidential appointments.

The 100 members elected from the minority parties participate on the various committees, but their real role is to protest those actions taken by the PRI that the minority parties perceive to be against the best interests of the nation. They obviously do not have the votes to overturn a government or Party decision, but their statements in Congress are, occasionally, reported in their hometown papers. They seldom get national coverage.

Majority Party members, on the other hand, rarely complain, in public, about legislation proposed by the government. Since no one is reelected anyway, complainants would be liable to find their political careers impaired, if not abruptly terminated. It also should be noted that the media have very little access to the Congress, and there is little reporting on the debates within either house.

The Judiciary

The court system is strongly influenced by the PRI. Since 1929 all members of the Supreme Court have been members of the Party. Few, if any, justices to the lower federal courts are non-PRI members. This close association with PRI, coupled with low pay, has played a major role in generating a lack of esteem for the judiciary in Mexico. Charges of corruption at the District and Appeals levels are common, less so with the Supreme Court. Political considerations in criminal cases and monetary considerations in civil cases are commonly thought to be the deciding elements of justice in Mexico. This has resulted in a widely held conviction that the courts should be avoided in settling civil disputes, and a certainty that the accused in a criminal action is guilty as charged unless he can prove otherwise.

The judiciary does exercise one effective form of restraint on the executive branch. Federal judges may issue a writ of restraint (*amparo*) on behalf of any citizen who claims that his constitutional rights have been violated by the government. The effect of the writ is to stop further government action in the specific case until the federal Supreme Court has heard the case. The writ can be issued in any case involving federal jurisdiction, and may be issued against any federal officer or institution. It may not, however, be used in cases involving political disputes.

While the Supreme Court can declare a law unconstitutional, it is far more likely to declare a law constitutional on an *ex post facto* basis. This was done in 1983 following the 1982 nationalization of the private banking system, but it would appear that the Supreme Court has never declared a law unconstitutional.

Supreme Court. The Mexican judiciary is strongly controlled at the federal level. The senior court is the Mexican Supreme Court, composed of a Chief Justice and 25 Associate Justices. The Supreme Court justices are appointed by the President on recommendation of the other members of the court to an indefinite term. Justices must retire at age 65, or anytime after reaching age 60 if they have served ten years on the bench. Below the Supreme Court is a Federal Appeals Court. There is one appeals court in each of six judicial districts covering the nation. Each court has ten members serving four-year terms, who may have tenure granted by the president until age 65. There is a Federal District Court in each state and the Federal District, consisting of from four to 30 justices. This is the federal court of first instance.

The federal court system handles all important civil litigation, leaving only divorce actions and small civil disputes to the states. All major felonies except murder are also federal responsibility.

State and Local Government

State and local government activities are much less important in Mexico than they are in the U.S. for two reasons: 1) most funding for state and local operations comes from the federal bureaucracy; and, 2) state governors are effectively appointed by the President (the PRI has never allowed another party to elect a governor), while the mayoralty elections in large cities also are usually won by the PRI.

THE POLITICAL PARTIES

There are three major Mexican political factions: the PRI and its associates; PAN and like-minded organizations; and the Left. As Mexico prepares for the 1988 presidential elections, the parties shape up as follows:

◆ ◆ **Institutional Revolutionary Party , Partido Revolucionario Institucional (PRI)** was founded in 1929 by Plutarco Calles, President of Mexico from 1924 to 1928. The Party formalized a coalition of similar organizations and was originally called the National Revolutionary Party (PNR). The PNR was organized around four groups: the military, the bureaucrats, the agricultural sector, and organized labor. In 1943 the military group was dissolved as a formal sector of the Party and the Party's name was changed to the PRI.

The Party is also a triad, the three major actors being: a) the National Federation of Popular Organizations (CNOP), composed of bureaucrats, housewives, professionals, merchants, and others of middle-class background; b) the National Federation of Peasants-Farmers (CNC), made up of farmers, agribusinesses, and associated industries; and c) the Mexican Labor Congress (CMT). The three groups operate through the Party executive, called the National Executive Committee (CEN). CEN's members include the Party president, the PRI's secretary general, secretaries for agricultural, social, labor, and popular action, two secretaries for political action (one a deputy, one a senator), a secretary for finance, and one for media/public relations.

The Party publishes a monthly magazine, La Republica, which is circulated to Party committees and agencies at all levels. There is also the semi-monthly Proyeccion Politica (Political Projection) that is sent to all Party leaders. The PRI and the Government jointly own the Mexico City daily newspaper, El Nacional. It has nationwide, free circulation, but it is neither widely read nor well regarded, especially by other newspapers and journalists.

The Party has an active membership of over three million. The PRI's policies include support of the right to strike by all workers, including those in government, except for the military. It promotes a minimum wage for all trades and labor, social security, basic health care for the poor, public housing for workers, communal or individual farms for peasants, and profit sharing for private sector workers. It insists on "no reelection to public office." The Party's foreign policy calls for independence from the United States, the Soviet Union,

and Europe. It favors close cooperation with the Organization of American States in order to promote Latin American regional interests. The Party usually favors and supports left-of-center governments in Latin America. It supports the Sandinista regime in Nicaragua and opposes the "contras."

◆ ◆ **Popular Socialist Party.** Farther to the Left than the PRI, but closely associated with it and supporting PRI's presidential candidates, is the Popular Socialist Party, Partido Popular Socialista (PPS). It was founded by a former member of Mexico's Communist Party in 1947. The party has a national executive committee. It publishes a monthly magazine called Democracia and a weekly newspaper called El Combatiente (The Fighter). PPS claims some 400,000 adherents, centered in the states of Oaxaca and Nayarit and in the Federal District. The party's platform calls for the nationalization of all industries and business, but it suggests that this will create a socialist, not communist, economy. Its foreign policies support Marxist and leftist governments. It claims financial support from the Socialist International. It would not be surprising if it also received contributions from Moscow and other communist governments as well.

◆ ◆ **Authentic Party of the Mexican Revolution.** Occupying the position to the right of the PRI spectrum is the Authentic Party of the Mexican Revolution, Partido Autentico de la Revolucion Mexicana (PARM). PARM was founded in 1954 by a retired army general. It claims support from some 300,000 middle-class, middle-aged farmers and workers. Its centers of strength are reportedly in the States of Nuevo Leon (Monterrey), Jalisco (Guadalajara), and Tamaulipas, plus Mexico City. The party, which is very loosely organized, supports a moderate approach to the ongoing revolution along with protection of private property and welfare programs. PARM also seeks additional aid for small farmers. In return for government subsidies, PARM supports the PRI candidate for president.

◆ ◆ **National Action Party.** The loyal opposition from the middle and right is led by the National Action Party, Partido Accion Nacional (PAN). PAN is a conservative party founded in 1939 on a platform of Catholic social principles. It has roots going back to the National Catholic Party of 1911. The party president and secretary general lead the National Executive Committee. The Committee has secretaries for political action, recruitment, finance, campaigning, and public relations. The PAN nominates its candidates for office, including the presidency, at an open convention, on both the national and state level, depending on the office. Presidential candidates have been offered in all presidential elections since 1958, except in 1976 when the party could not get the needed 80 percent agreement on a candidate.

PAN publishes a monthly magazine, La Nacion. Two daily newspapers, El Heraldo in Mexico City and El Norte in Monterrey, support the party but are not owned by it. The PAN has at least 750,000 active, dues-paying members. It is strongly represented in the North (Baja California, Sonora, Chihuahua, Durango, Sinaloa, and Nuevo Leon). The party also has done well in municipal elections in Jalisco, Yucatan, and the Mexico City region.

PAN's domestic policies call for effective suffrage by stopping fraudulent elections, less government investment in the industrial and commercial sectors of the economy, and multiparty formulation of policy in the government. In foreign policy the party is staunchly anti-communist. It favors a good working relationship with the U.S. but never at the expense of domestic considerations. Though not associated with any of the Christian democratic parties of Europe, the PAN agrees with most Catholic ideas on social reforms, including the papal encyclicals calling for increased social justice.

◆ ◆ **Mexican Democrat Party.** More radical than the PAN, and informally associated with it, is the Mexican Democrat Party, Partido Democrata Mexicano (PDM). PDM was founded in 1971 by the leaders of the Sinarquista National Union, Union Nacional Sinarquista (UNS), a neo-fascist, very Catholic group founded in 1937 to redress the PRI's anti-church stance. The party has perhaps 200,000 members, most of them church-oriented, middle-class urbanites. The PDM is run through a national executive committee and 23 regional committees. Each committee includes secretaries for finance, membership, campaigns, and public relations. The party publishes a monthly magazine, El Democrata, which is distributed to all members.

PDM's domestic policies favor "a union of church and state," call for the divestment of government-owned industries and commercial ventures, a reduction in welfare programs, and the end of PRI domination of the government. The party's foreign policy favors open alliances with anti-communist nations. The party is unlikely to be a major player in Mexican politics since most Catholic lay leaders favor the PAN.

◆ ◆ **Unified Socialist Party.** The make-up of the Left is, in some ways, more interesting. The Unified Socialist Party of Mexico, Partido Socialista Unificado de Mexico (PSUM) was founded in 1981 through the unification of four small parties of the far Left with the Mexican Communist Party (PCM). PCM was founded in 1919, based on orthodox communist principles. The PCM was a Moscow line party for its entire existence; PSUM follows in this tradition. The Mexican Workers Party (PMT) was also offered an opportunity to join PSUM in 1981, but declined. The offer is still open.

The PSUM claims a membership of 120,000. It is an interesting amalgam of communist views, counting among its leadership individuals who have espoused causes ranging from Cambodia to El Salvador to Albania. The party's domestic policy line calls for the expropriation of all privately owned businesses, industries, and services under a Marxist-Leninist government. The party would own all media and control all education. Foreign policy is anti-U.S. and pro-Soviet. PSUM supports Cuba, and the Democratic Revolutionary Front (FDR) in El Salvador. It is, of course, pro-Sandinista in Nicaragua. The party's youth group controls the Student Federation at the National Autonomous University of Mexico, the nation's largest university.

The party publishes a monthly magazine, El Machete, and a semi-monthly paper, Vida Nueva. It is supported editorially by 30 percent of the nation's newspapers.

◆ ◆ **Socialist Workers Party.** The Partido Socialista de los Trabajadores (PST) was founded in 1973. Among the best organized of Mexico's leftist parties, PST claims over 100,000 members. The bulk of the membership is concentrated in the Maya, Aztec, Zapotec, and Tarascan Indians. The remainder of its members are from the peasants and lower classes.

PST, much as PSUM, has a domestic policy calling for nationalization of all means of production and commerce, party control of schools and media, and general government control of society. It would have committees of workers operate all industries. The municipal governments would control and operate all public utilities.

In addition to these, more or less, major parties there exists a plethora of minor actors. These other groups cover the entire political spectrum from the far Right to far Left, but none of them commands a significant following.

Mexican politics are influenced by three other important institutions: the Army, the Church, and organized labor. The Army was much more important 50 years ago than today; it has been co-opted and corrupted so thoroughly that it no longer poses a threat to the system. The Church was legislated out of its traditional Latin American role as the state religion in 1857; while it has faithful adherents who would like to reestablish that role, such an event is highly unlikely. Organized labor is an integral part of the PRI system; it will co-opt, corrupt, or clobber any upstart new labor group that wanders too far away from the "revolutionary" ideas of the PRI.

THE ARMY

Unlike virtually every other Latin American nation, Mexico has not had a successful military revolution since 1920. The last significant attempt by the Army to influence the government was in 1940.

The Army was depoliticized in the mid-1920s by President Plutarco Calles, and his methods and ideas were followed by Presidents Lazaro Cardenas and Manuel Avila Camacho. These men began simply: they divided the nation into 33 military districts and placed control of food and fuel for each district in the hands of civilians. The Army had to ask the government any time it wanted to move or eat. Zone commanders were rotated every few years so that they could not build a power base in any given zone. Finally, funding for the military was gradually reduced until it constituted less than 2 percent of GNP. This discouraged the purchase of new equipment, and training was significantly cut.

Since budget stringencies made it difficult to pay officers a reasonable salary, the government encouraged corruption. A Presidential Military Staff was created for two purposes: to create tension between the staff and the regular Army office corps, and to give the staff increased opportunities for influence peddling. However, promotion opportunities were greater (and still are) in the regular army.

Lacking Aristocratic Tradition. A third element played a major role in subduing the Mexican military. Virtually all of the troops are drawn from the very poorest elements of society, and the officers come from the lower middle class. Thus, the Mexican military does not have the aristocratic tradition that is a commonplace in other Latin nations. In turn, the officers receive a good education at both military and private universities, while the soldier is well fed, clothed, and housed.

Domestically, the Army is an integral part of the security system. Its 140,000 officers and men guard the borders, support the police, and provide security for the President. It is very anti-communist, and quite xenophobic. The General Staff believes the only possible significant external threat is the United States. It is deeply concerned with the possibilities of increase domestic violence and guerrilla activity. Bearing this in mind, the military convinced President Jose Lopez Portillo in 1977 to provide them some new equipment. On the whole, however, the military seems content with its lot, comfortable in the knowledge that, so long as they believe in the system, the system will allow them to continue with a relatively safe, soft, and undemanding existence.

THE CHURCH

Another of the more interesting balancing acts that the system arranges is between Church and the state. The 1857 constitution effectively destroyed the Church as a political player in the Mexican system. All subsequent administrations have seen the wisdom of that decision. The last important attempt to change the rules occurred in the mid-1930s with the rise of the ultra-Catholic "Christero" movement around Guadalajara. With some 90+ percent of the nation baptized as Catholics, the Church must be accommodated, co-opted, and guided into an acceptable role without arousing the ire of the populace.

The Church is a strong influence on the daily life of many Mexicans. However, while the Church opposed the "socialized" education reforms of the Cardenas administration in the late 1930s, it has learned to live with, and in many cases work with, the government's health and social welfare programs. Some 10,000 priests work in 53 dioceses in Mexico. They wear mostly civilian clothes outside the church, but are visible nonetheless.

The Church has a variety of action-oriented groups including Opus Dei, Catholic Action, the Christian Family Movement, and the National Parents Union. It supports, tacitly, the PAN and PDM.

The government and the bureaucrats blow hot and cold on the subject of Church/State relations. On the one hand, they support the good works of the Church and readily acknowledge the fact that the Church and the priests work effectively to restrain unrest in the slums of the big cities. The state, however, also is concerned about a small number of priests who preach liberation theology or otherwise spread unrest and discontent in the countryside. Again, so long as both sides understand the system and continue to play by its rules, there is little cause for concern by either group.

ORGANIZED LABOR

To the extent that the PRI is the government, the Party is, to a very large extent, organized labor. The modern labor movement began in Mexico in the early 1930s.

Originally set up by a variety of anarchist, socialist, and communist organizations, Mexico's first union efforts were not entirely successful. There were two reasons: first, the government was not in control of the organizations, thus undercutting Party authority, and, second, the PRI had not yet decided on what role organized labor should play either in the Party or in the government.

The CTM

In 1938, with the expropriation of the foreign oil companies and World War II looming, Mexico decided that it had to exercise effective control over the labor unions. Vincente Lombardo Toledano and Fidel Velasquez emerged as the kingpins of the nascent Confederation of Mexican Workers, Confederacion de Trabajadores Mexicanos, (CTM). Following a dispute on union leadership and the proper relationship between the union and the PRI, Lombardo Toledano was ousted and Velasquez installed as the undisputed leader of CTM. An informal compact was struck which made it clear to all that, so long as the CTM leadership supported the PRI and turned out the vote, the PRI would support the CTM and its efforts to improve the lot of Mexican labor.

Part of the price of cooperation has been the creation of a group of chiefs (caciques) within CTM. While these officers of the union will use their union loyalists to quiet dissent within the ranks, at the same time they reportedly are lining their own pockets at the expense of the rank and file. The level of corruption is said to range from kick-backs on individual dues to agreements with factory owners not to strike--for a price.

The CTM has been effective in helping the government control latent political unrest with union workers. CTM agreed to a "no strike" posture in 1982 when President Lopez Portillo granted a 10 percent wage hike in a period when inflation was running at 45 percent annually. The added quid pro quo was the creation of a "Workers Bank" run by the CTM and the transfer of control of the state housing fund (INFONAVIT) to the union.

The CROC

The next largest union, a PRI creation, the Revolutionary Confederation of Workers and Peasants, Confederacio Revolucionario de Obreros y Campesinos (CROC), is composed of white-collar and government employees plus middle-class office workers. It also includes mid-level management in many industries. The CROC is the only union allowed to organize federal employees, and it has most of the shortcomings of CTM.

The Independents

Two other unions exercise considerable influence both on PRI and on the Mexican body politic: Joaquin Hernandez Galicia's Oil Workers Union, and Carlos Jonguitud Barrios' Teachers Union. Relations between these two organizations and PRI never have been smooth.

To the extent that relations deteriorated in the mid-1970s, the PRI and the government sought to undermine the authority of the union leaders. In 1976 Jonguitud Barrios was elected governor of San Luis Potosi, conveniently exiling him to a second-class mining and agricultural state, a four-hour drive north from Mexico City. While he was able to retain

his title as Secretary General of the teacher's union, he lost many of the prerequisites of control. He returned to the union in 1982 in a more cooperative frame of mind. Likewise, the Government was willing to take some risks to bring Hernandez Galicia to heel. In late 1982 Lopez Portillo threatened to appoint him Ambassador to Fiji. That seemed to reduce the bickering within the upper executive ranks of the oil workers' union, and it added to efficiency in the oil fields as well.

CTM's 11,000 affiliates, together with the affiliates of all other major labor organizations, are loosely united under the banner of the government's Mexican Labor Congress, Congreso de Trabajadores (CTM). This government-led group meets twice a year to discuss labor-related issues and to issue a sort of white paper advising the administration of the group's concerns.

All of the government-affiliated unions willingly play the role of strike breaker when a new union or labor organization attempts to wield more power than the PRI is willing to grant. Such events are common, and they underline the importance that the PRI places on dominating and controlling organized labor.

THE BUSINESS GROUPS

The business world of Mexico is a textbook example of a "mixed economy." The public sector is nearly as large as the private, and there is a definite regionality in the location of major centers of manufacturing and commerce. Those business centers farthest from Mexico City tend to be those most opposed to the government's economic policies. Furthermore, they are often centers of the PAN and other opposition political activity. This has contributed to several direct clashes between the private sector and the government with the private sector generally on the losing side.

The government of Mexico, together with state and municipal corporations, controls the production and distribution of electricity nationwide. The production, refining, and sales/distribution of all petroleum products are the exclusive sphere of activity of Petroleos de Mexico (PEMEX), the state oil monopoly. This includes the production, distribution, and sale of natural gas. Thus, all major energy sources are the property of the state. Contemplation of this simple fact of life can give an industrialist nightmares.

Most of the basic steel industry, with the exception of the privately held HYLSA, S.A., group, is state owned. Secondary steel fabrication is mostly private.

Transportation is also a mixture. The railroads and light rail networks are federally owned while trucking is mostly private. Bus lines are about evenly split between private and public (federal, state, or local) ownership with most municipal lines and perhaps a third of intercity lines publicly owned. Trucking is entirely private but controlled by route licensing.

Nationalized Banking. The banking industry was about 70 percent private until 1982 when President Lopez Portillo, in a fit of pique, nationalized it. About 40 percent of the ownership of the nationalized private banks has been resold to the private sector, but the government retains effective control of every bank in the country.

Paper production and importation is a state monopoly. This has obvious implications for media and the printing industry: cooperate or shut down. Broadcasting is something of an anomaly. While the use of the airwaves is controlled by the government, just as it is in the U.S., about half of all broadcast outlets, both radio and television, are privately owned. The largest TV network, Televisa, headquartered in Mexico City, while not anti-government, pushes a more right of center political and pro-business philosophy than that held by the government. Some regional and local broadcasters are even more anti-government, or perhaps it would be better to say anti-administration.

Between the labor laws, the primacy of the CTM and associated unions, and the government's control of energy and licensing procedures, it is clear to any observer that industrialists and big business must cooperate with the government to survive. Part of this is evident in the fact that all companies and businesses employing more than 15 persons have to join the local Chamber of Commerce and Industry, which is affiliated with the Confederation of Industrial Chambers (CONCAMIN). This group purports to speak for business and industry, but is, in fact, another voice of the government.

Industrial Regions. Mexico has five important industrial regions, two in the North and three in the South. In the North there is the Sonora/Baja California axis. These groups fall into two broad categories: the U.S. and foreign owned assembly factories operating on the border, many of which have significant Mexican participation, and the agribusiness industries in Tijuana, Mexicali, Ciudad Obregon, and Hermosillo. Ford has just opened a car assembly plant in Hermosillo, and there are also important mining operations in Sonora.

Further to the east is the Monterrey-Salttillo-Chihuahua triangle. Chihuahua has long been the industrial and commercial center for the agricultural and pastoral north. It also includes the assembly operations and off-shore banking that is centered on Ciudad Juarez. Further to the South is the Monterrey-Salttillo axis. This is the industrial and financial heart of Northeast Mexico. The major industrial groups located in Monterrey employ about 2 percent of the population and produce about a quarter of Mexico's GNP. Monterrey is the home of Grupo Industrial Alfa (steel, chemicals, food processing, and consumer products), VISA (Mexico's largest beer brewer, food processing, and can making), PROTEXA (Mexico's largest oil field equipment maker), CYDSA (chemicals, fabric, and related products), and CRISA (the largest glass maker in Latin America).

Salttillo is the center of Mexico's automobile production. Chrysler and GM build engines and cars there, including parts for export to the U.S. Ford's largest engine plant in Mexico is located between Salttillo and Monterrey. Both cities are important rail and road transportation centers.

Until the nationalization of 1982, the major industrial cities of the north were also financial centers. The major northern banks, including those of Monterrey, Chihuahua City, Hermosillo, and Baja California, controlled about 40 percent of the nation's deposits and handled more than half of the foreign exchange transactions. One of the reasons for the nationalization of the banks by Lopez Portillo in 1982 was his belief that the industrialists, through their banks, were exacerbating the nation's financial problems with capital flight. Whether true or not, the perception remains in Mexico that the

nationalization was undertaken to punish "noncooperative" businessmen to place total control of banking and the financial system in government hands.

Southern Industry. In the South, industry is concentrated in three cities: Veracruz, Guadalajara, and Mexico City. There are numerous satellite cities scattered around the big three, but none of special note. Veracruz is the largest port on the Gulf of Mexico and the center of the oil industry. It also claims a significant share of secondary steel processing and is the home of the largest truck and bus maker in the nation. Guadalajara is home to a large concentration of second and third echelon industries, none especially important in its own right, but which have combined into a very important regional and national center. Finance and real estate are significant contributors to Guadalajara's economic success.

Mexico City is, of course, the heart of the nation. Virtually every major industry has offices there, and about 40 percent of the nation's industrial output is generated in the Valley of Mexico. It is the center of the largest banking and financial system in the nation, and it dominates finance, industry, and commerce all the way to the Guatemalan border.

The business community and the PRI remain on the "outs." A reconciliation is unlikely so long as the government insists on retaining control of the private banks. In response to the government's attitude, the business community has formed the Business Coordinating Council to attack openly the business and economic policies of the government. The group apparently has strengthened its ties with the PAN, but remains circumspect insofar as open support of PAN is concerned. This is less true in Monterrey, where the local press continues to castigate former President Lopez Portillo for his policies. Of course, no direct criticism of President De la Madrid appears.

Another group, little known but wielding great commercial and financial power, is the Mexican Businessmen's Council, Consejo de Empresarios de Mexico. This group, founded in 1975 following the assassination of Eugenio Garza Sada, leader of the Monterrey business community, seeks to protect the interests of the major industrial, financial, and commercial entrepreneurs. The members of the organization, said to number about 30, probably represent the largest single concentration of wealth in the nation. The group's relations with Luis Echeverria (President from 1970 to 1976) were excellent; with Lopez Portillo (1976 to 1982), a disaster; and with de la Madrid (1982 to date), cordial but not close.

Whether some sort of reconciliation can be worked out between the business/industrial community and the next administration remains to be seen. If the government cannot bring business back into the fold, Mexico runs the risk of having a very well-educated, articulate, and wealthy segment of society actively positioning itself against the status quo and in favor of the moderate opposition. This could lead, in turn, to more widespread difficulties, should the populace perceive the government to be loosening, or losing, its control.

THE UNIVERSITIES

Many Mexican students see themselves as radicals; manifestations include on-campus demonstrations and publication of very nearly seditious newspapers. The student body of the National University in Mexico City (the largest Mexican university) is dominated by the Youth Movement of the Communist Party of Mexico, Juventude Comunista Mexicano

(JCM). The communists have made inroads on many other federal campuses, notably in Monterrey and Guadalajara. Monterrey's private university, founded by the city's industrialists in 1946, is staunchly anti-communist.

Today, the student population represents more of a potential for trouble than a significant threat. As more and more reasonably well-educated professionals are produced by the system and find it increasingly difficult to obtain meaningful employment, the young graduates will be good candidates to lead another revolution in Mexico. They naturally would turn to lower classmen for "cannon fodder," and their pleas for help would most certainly strike a responsive chord.

CONCLUSION

Mexico has spent the last 65 years maturing and growing after a ten-year revolution. The result has been a one-party government, which governs by the consent of the leaders. It is a corrupt system, not responsive to direct appeal by the populace, but constrained nevertheless to operate in a way that limits the ability of any individual or leader to exercise absolute power. Meanwhile, regulations concerning employment, business, foreign investment, and the all pervasive state domination of the most important of the basic industries continue to be a brake on the economy.

Paul R. Wisgerhof is a State Department officer on special leave to The Heritage Foundation. Mr. Wisgerhof has served in Mexico, Peru, Venezuela, Germany, Ecuador, and Japan. The views expressed in this study are his own and should in no way be attributed to or necessarily reflect the views of the Department of State or the U.S. government.