



THE WOUNDS OF HISTORY

by Peter H. Smith

The Plaza of the Three Cultures in the district of Tlatelolco, Mexico City, is the site of the final victory of the Spanish over the Aztecs. A nearby plaque reads: "On August 15, 1521, heroically defended by [Emperor] Cuauhtémoc, Tlatelolco fell to the power of Hernán Cortés. This was neither a victory nor a defeat, but the painful birth of the *mestizo* people that is today's Mexico."

Like any country's mythology, Mexico's contains an element of truth. The birth of her *mestizo* people, part Spanish, mostly Indian, actually took three centuries. But it was indeed a painful process.

Mexico after the Conquest experienced rebellion, Inquisition, and near anarchy, leavened by interludes of colonial torpor or ruthlessly enforced tranquility. The 300 years of colonialism following the Conquest saw clear winners and losers. It was the white population—the *peninsulares* (Spaniards born in Spain) and *criollos* (Spaniards born in Mexico)—that composed the cream of society. They controlled the colonial government, the military, the Church, and such nascent industries as textiles, mining, and ceramics. Almost all of the country's arable land was in their hands, divided into mammoth estates or *haciendas*, comprising, on the average, perhaps 50,000 acres and worked by hundreds of *peones* (essentially sharecroppers). The rest of the future *mestizo* nation subsisted at the sufferance of the white social elite, in semifeudal fashion.

Ambitious *criollos* provided the impetus for the 1810 break-away from a weakening Spain. During the turmoil that followed, *criollo* landowners remained on their rural *haciendas*, protecting and increasing their own holdings, while military *caudillos* (bosses) and rising middle-class leaders struggled among themselves for control of a faltering central government. Indeed, until the rise to power of General Porfirio Díaz in 1876, "politics" had less effect on the general direction of Mexican society than did old social and economic patterns held over from

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colonial times. (There were more than 50 separate governments between 1821 and 1876.)

To be sure, the *peninsulares* were gone, and certain activities of the Catholic Church had been legally curbed—an angry reaction to the Church's colonial role. Yet in many other respects, Mexico in the 19th century was much like Mexico in the 17th century: a predominantly agricultural society, highly stratified, with wealth concentrated in the hands of a relatively few *criollos* and upwardly mobile mestizos.

Pax Porfiriana

In a sense, the reign of Porfirio Díaz (the *Porfiriato*) marks the beginning of what the plaque at Tlatelolco calls "today's Mexico." For 35 years, from 1876 to 1911, Díaz proved to be a master politician. He never proclaimed himself dictator; he simply had the constitution amended, time and again, so that he could be reelected to the Presidency.* He built up the army, and, to maintain order in the countryside, established the feared *guardias rurales*. Key decisions came to be made in Mexico City—a harbinger of today's highly centralized government. Systematic repression was viewed by Díaz as a major ingredient of stability. "We were harsh," he explained near the end of his regime. "Sometimes we were harsh to the point of cruelty. But it was necessary then to the life and progress of the nation."

Díaz found support among foreign investors, mainly British and American, whose capital supplied the stimulus for economic progress. (New York's Guggenheim family, for example, had invested \$12 million in Mexican mining and exploration by the turn of the century.) As a result, Mexico developed rapidly. After unsuccessful efforts to construct railroads with public funds, Díaz gave the concessions to foreign entrepreneurs in late 1880. By 1910, the amount of track had grown from 750 to 12,000 miles. The volume of foreign trade increased nine-fold between 1877 and 1910. Besides silver and gold, Mexico started exporting copper and zinc, fiber, and food while the United States became the country's leading partner in trade, supplanting Great Britain. Manufacturing grew, with notable advances

*Mexico has had four constitutions. The Constitution of 1824, modeled on the U.S. Constitution, provided for a federal republic, separation of powers, and a bicameral legislature. This was superseded by the Constitution of 1836, imposed by the dictator Santa Anna, which essentially replaced civilian officials with military governors. The liberal Constitution of 1857 abolished slavery and ecclesiastical courts, created a unicameral legislature, and included an American-style Bill of Rights. The Constitution of 1917, still the law of the land, went even further. It limited the President to one term, and, under Article 27, provided for large-scale land reform. Article 123 established an 8-hour workday and a minimum wage, and legalized strikes and labor unions. There were numerous anti-clerical provisions.

in textiles, iron, cement, and consumer goods.

By 1895, the national government showed a budget surplus (an unthinkable achievement in earlier generations) and the Díaz regime maintained a balanced budget for the remainder of its tenure. In 1910, as the centennial of independence approached, Díaz proudly proclaimed that “order and progress” had become reality in Mexico.

Unleashing the Tiger

But these advances came at a tremendous social cost. While the Porfirian circle accumulated wealth and aped the ways of European (especially French) aristocracy, Mexico's common people, both urban workers and rural *campesinos*, suffered increasing hardship. Despite the growth of the economy, real wages—never high to begin with—underwent a sharp decline. (According to some estimates, real per capita income fell by more than half between 1820 and 1900.) Small farmers, wage laborers, and peones on the haciendas—some 85 percent of the population—were all worse off economically than their great-grandparents had been. Few peasants owned land.

While Mexico's exporters were sending oil, ores, and other products abroad, the domestic production of corn, beans, and other staples barely kept pace with population growth. Infant mortality was staggering; as of 1900, about 28.5 percent of all baby boys died within the first year of life. In that same year, more than three-quarters of Mexico's 15 million citizens were illiterate.

Yet when what has come to be known as the Mexican Revolution began in 1910, its leadership emerged not from the oppressed strata of society but from its upper reaches. Francisco Madero, the so-called apostle of Mexican democracy, came from one of the country's wealthiest families, with extensive interests in cattle and mining. Educated in Paris and at the University of

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A wealthy lady during the Porfiriato, savagely portrayed by printmaker José Guadalupe Posada (1852–1913). At the turn of the century, Mexico's Francophile upper classes danced the cancan and celebrated Bastille Day.

California, Madero developed a strong belief in the virtues of political democracy and of the free-enterprise system as well.

Dismayed by the excesses and rigidities of the Díaz regime, Madero began writing a book called *La Sucesión Presidencial* in 1908. Its message was plain—Mexico was ready for liberal democracy—and its formula was simple: The 80-year-old Díaz himself could run again for President in 1910, but he should pick his vice-presidential candidate, and putative successor, from outside his immediate entourage.

When Díaz failed to heed the message, Madero entered the 1910 campaign as the candidate of the new Anti-Reelectionist Party. When Díaz was declared the winner, Madero, jailed with 5,000 of his supporters, refused to recognize the outcome and called for armed resistance. The movement rapidly swelled; his troops in the north took Ciudad Juárez (across the border from El Paso, Texas), and, in a surprising show of weakness, Díaz capitulated.

"Madero has unleashed a tiger," Díaz told an aide as he fled into exile in 1911, "Now let us see if he can control it." Madero

couldn't. Hitherto united in common hatred of the Díaz regime, rebellious factions soon began to champion their separate causes: employment, or political freedoms, or land reform. During the next decade, the Revolution turned into virtual civil war; millions of Mexicans died. Madero, the ardent democrat, was assassinated in 1913 (with the approval of U.S. Ambassador Henry Lane Wilson); Emiliano Zapata, chief of the southern insurgents and zealous advocate of land reform, was murdered in 1919; Pancho Villa, leader of the ragged rebels in the north, was assassinated in 1923. The country did not attain a measure of calm until 1924, with the election of Plutarco Elías Calles, a tough post-Revolutionary leader, and the first Mexican President to assume power peaceably in 40 years.

Friend of the Peasants

At Calles' behest, and in the face of a crisis brought on by the assassination of his successor-elect, leaders of the nation's political factions and power groups in 1929 founded an official unity party, the *Partido Nacional Revolucionario*. When Lázaro Cárdenas, the former governor of Michoacán, became President in 1935, he reorganized the party, renaming it the *Partido de la Revolución Mexicana* and building it around four separate functional groups, each with its own representatives on the party's executive committee: peasants, labor, the military, and, as a kind of residual category, the "popular" or middle-class sector. By the time the party was reorganized once again in 1946—this time as the *Partido Revolucionario Institucional* (PRI), the name it retains to this day—the military had lost its status as a formal participant.*

Cárdenas' single six-year term (*sexenio*) as President marked the consolidation of political stability in modern Mexico. Henceforward, ideological and policy disputes over the course of the "institutionalized" Revolution would be decided within the official party; power would pass from one chief executive to the next, on schedule and with little fuss. Despite the activity of several small opposition parties, the 10-million-member PRI continues to garner about 90 percent of the popular vote in national elections.

Revolutionary rhetoric remains a hallmark of Mexican politics, but Cárdenas was the first Mexican executive to make the

*The military's political role in Mexico has steadily ebbed. One consequence: The armed forces' share of government expenditures declined from 53 percent in 1921 to 19 percent in 1941 to a mere 5.5 percent in 1961. The figure today: 2.9 percent (\$557 million). This supports a modestly equipped force of 322,000 men, including 250,000 draftees.

THE TRANSITION

The presidential succession every six years is the paramount event in Mexican politics. It involves the transfer of the nation's highest office from one person to another, but it signifies far more than that.

The outgoing President selects his own successor after consulting with leaders of various power groups—the unions, big business, and others—known in Mexico as “public opinion.” This means that the President cannot impose a truly unpopular candidate. It also means that, among those who are deemed to be acceptable, the President makes the final choice. As Alfonso Corona del Rosal, an experienced and powerful politico, once said, it is the outgoing President who “selects his successor, supports him, and sets him on his course.” Still, the succession can bring new directions in policy (within the generous limits prescribed by revolutionary rhetoric), even fairly sharp departures from the recent past.

Almost always, presidential transfer means a realignment in the distribution of power and prestige throughout the country, a rearrangement in the relative standing of cliques: those who are close to the new President move up near the top, those who are not move either out or to the bottom.

The succession sets the rhythm of political life, marking time according to *sexenios*, the six-year limits of incumbencies. Ever since Madero's vain 1910 challenge against Díaz, it has been taken as a measure of the nation's political health. A peaceful transfer of power means that the system is working, that “no-reelection” is in force, that the government is complying with the heritage and obligations of the Revolution.

—P. H. S.

rhetoric approach reality. By 1940, Cárdenas had redistributed some 50 million acres of land, more than twice as much as all of his predecessors combined. For the most part, these lands were divided into *ejidos*, or government-regulated cooperative farms. Populist to the core, he sometimes visited peasant villages to sign over the land in person.* He supported the consolidation of some 3,000 Mexican labor unions into the powerful, million-member *Confederación de Trabajadores de México* and sanctioned hundreds of strikes in support of higher wages. And in 1938, he expropriated the holdings of foreign oil companies,

*According to an apocryphal anecdote, Cárdenas once received a list of urgent matters and a telegram. The list said: Bank reserves low. “Tell the Treasurer,” said Cárdenas. Agricultural production falling. “Tell the Minister of Agriculture.” Railroads bankrupt. “Tell the Minister of Communications.” Serious message from Washington. “Tell Foreign Affairs.” Then he opened the telegram, which read: My corn dried, my burro died, my sow was stolen, my baby sick. Signed, Pedro Juan, village of Huitzilpitzco. “Order the presidential train at once,” said Cárdenas. “I am leaving for Huitzilpitzco.” (Anita Brenner, *The Wind That Swept Mexico: The History of the Mexican Revolution*, University of Texas Press, 1971.)

mostly American, replacing them with the state-run corporation *Petróleos Mexicanos*, or PEMEX.

The resolution of Mexico's chronic political crises and the achievement of key social reforms were preconditions for economic development. World War II provided the takeoff. Shortages in the United States and Europe spurred Mexico to reduce its reliance on manufactured imports, as well as to step up exports of such minerals as zinc, mercury, cadmium, and copper. U.S. Export-Import Bank loans flowed into Mexico; foreign investors were welcomed back (with the stipulation that they acquire no more than 49 percent of any company's stock). The textile, brewing, cement, and iron industries expanded quickly.

The Mexican 'Miracle'

Cárdenas had dreamed of a nation of agricultural cooperatives and small industry, but Mexico during the war years inadvertently embraced something bigger. At first glance, the results seemed promising. Between 1940 and 1960, the Gross Domestic Product (GDP) jumped from 21.7 billion pesos to 74.3 billion pesos, an average annual increase of 6.4 percent, impressive by any standard. During the 1960s, as Mexico maintained this rate of growth, the country's performance came to be known as the "Mexican miracle." Foreign economists expressed their admiration at the coexistence of economic growth and political stability in at least one part of the developing world. "Mexico has started an industrial revolution designed to go far and to transform the economic and social life of the country," wrote one U.S. economist in 1950. "There will be no turning back."*

All Mexicans have not shared equally in the benefits of economic growth. Indeed, the picture in the postwar years is one of growing inequalities. As the "Mexican miracle" progressed, the share of total income garnered by the poorest tenth of the population dropped from 2.4 percent in 1950 to 2.0 percent in 1969; during that same period, the richest tenth of Mexico's population increased its share from 49 to 51 percent. In other words, half the national income went to 10 percent of the families.

*Sanford Mosk, *Industrial Revolution in Mexico* (University of California Press, 1950). The "Mexican miracle" was helped along by a surge in foreign investment. From a total amount of \$1.5 billion (1970 dollars) in 1911, direct foreign investment slipped to less than half a billion dollars in 1940—partly because of the turmoil of the Revolution, partly because of Cárdenas's expropriation of oil companies in 1938, and partly because of the Depression. By 1970, however, the figure had soared to 3.8 billion dollars, 80 percent of which came from the United States. In sharp contrast to previous eras, when mining, communication, and transportation were the dominant activities for foreigners, most of this investment was in basic industries: chemicals, petrochemicals, rubber, machinery, industrial equipment.

In less tangible matters, the record is also mixed. Take the education system. In Mexico, a central goal has been to expand educational opportunity in order to increase social mobility, augment the nation's supply of trained talent, and create a more just society. In this, the Mexicans have been moderately successful. In 1910, just before the onset of the Revolution, only 24 percent of the elementary-school-age population was attending school. By 1930, the figure had gone up to 42 percent, and by 1970, to over 80 percent. Census figures suggest that "illiteracy" declined from 76.9 percent in 1910 to 28.3 percent in 1970; other estimates, using a more exacting definition, show less than 40 percent of the population over nine years of age to be "functionally literate."

Yet restricted access to the upper levels of the Mexican educational system (secondary, preparatory, and university) has helped perpetuate class barriers. In 1926, 3,860 students were enrolled in the secondary or high school track, probably no more than 4 or 5 percent of the relevant school-age population. In 1970, the proportion had risen to no more than 20 percent.

Licensed Democracy

The preparatory track, through which students pass on to university, has been even more exclusive; in particular, the *Escuela Nacional Preparatoria* in Mexico City, modeled on the French lycée, has remained the bastion of the national elite. A university education has been traditionally reserved for only a small fraction of the population. According to my best estimate, about 1.7 percent of the literate adult male population had attended a university in 1900; by 1960, four decades after the Revolution, the figure had risen to only 2.7 percent. Mexico's national university system has recently expanded; its 124 campuses now enroll some 470,000 students, about 9 percent of the eligible population. Yet instruction is often poor, and it will be at least a generation before the social effects of expanded higher education are felt.

Scholars and politicians will argue for decades to come over the relative costs and benefits of the Mexican "miracle," but most would agree that it began losing its luster in the late 1960s. That the postwar industrial bonanza had benefited primarily the upper and middle classes, not the bulk of farmers and wage earners, was by then abundantly clear. That Mexico's "licensed democracy" was a one-party monopoly, part oligarchy, part dictatorship, was equally evident. With the election of Gustavo Díaz Ordaz as President in 1964, dissatisfaction with the state of

affairs in Mexico began to crystalize.

Díaz Ordaz was a hardliner whose selection by the PRI as its candidate, after the *sexenio* of charismatic Adolfo López Mateos, proved unpopular. Once in office, the new President clumsily sought to weaken PAN, the already small conservative opposition party. Soon afterwards, he sparked public outrage by annulling the election of several PAN gubernatorial candidates.

Massacre at Tlatelolco

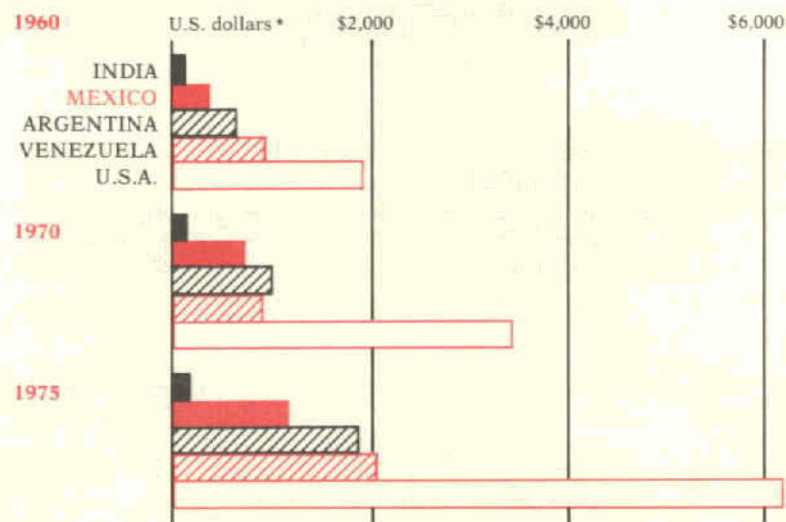
In 1966, anti-government strikes broke out at the National University of Mexico (UNAM) and spread quickly to other campuses. It took federal troops to restore order. The students protested again two years later, as the government was sprucing up Mexico City for the Olympics. The climax came on October 2, 1968, at Tlatelolco—The Plaza of the Three Cultures. Once again the army moved in to quell a small demonstration. By the time it withdrew, some 300 persons were dead. In the wake of the Tlatelolco massacre, leftist guerilla activity in Mexico City and elsewhere stepped up sharply. The Díaz Ordaz regime had registered solid gains in education and urban renewal; the economy remained healthy. But the mood in Mexico was one of malaise as the 1970 elections approached. Díaz Ordaz and other top leaders chose the Secretary of the Interior, Luis Echeverría, as the next President.

When Echeverría took the presidential oath on December 1, 1970, he looked like the supreme embodiment of Mexico's political elite. He had obeyed all the rules of the game. Born in Mexico City in 1922, he had studied at UNAM, taken a degree in law, and, like so many of his political colleagues, taught courses there as well. He married into a prominent political family from the state of Jalisco and promptly entered the PRI.

Echeverría was the first constitutional President since 1924 who had never held a single elective position. He had become, over the years, a master of subtle bureaucratic maneuvering. Once in office, Echeverría revealed the power of his personality. Impatient and energetic, he took to his work with passion, exhorting his countrymen to labor with "creative anguish." He went everywhere, saw everyone, gave speeches, made pronouncements, talked and talked some more, apparently seeing himself as a latter-day Cárdenas.

In the international arena, Echeverría sought to take Mexico away from the shadow of the United States and establish Mexico as a leader of the Third World countries, with himself as major spokesman. He traveled widely, visited China in 1973,

PER CAPITA INCOMES COMPARED



* National currencies converted into current U.S. dollars at prevailing rates.

Source: *United Nations Statistical Yearbook 1960, 1970, 1976*. New York, Copyright U.N.

and instructed the Mexican ambassador to support the United Nations' 1975 anti-Israeli denunciation of Zionism as a form of "racism." Greatly overestimating his own prestige, Echeverría also presented himself in vain as a candidate for the secretary-generalship of the U.N. near the conclusion of his presidential term.

At home, Echeverría pursued an activist, growth-oriented economic policy. In keeping with his *tercermundista* (Third World) pronouncements, Mexico passed new laws to regulate—but by no means eliminate—multinational corporations. The role of the state, already large, expanded sharply with the government supplying well over 50 percent of total capital investment. Government revenue grew from around 8 percent of gross domestic product in 1970 to roughly 12.5 percent in 1975. Massive outlays went for housing, schooling, and social programs. Agricultural credit increased. Mexico doubled its capacity to produce crude oil, electricity, iron, and steel. The GDP, Echeverría proudly pointed out, was growing at an annual average rate of 5.6 percent.

The expansion of state activity brought problems of its own. Domestic industry, for example, was caught in a squeeze between multinational corporations and the Mexican state. Only the strongest local firms could survive, and the government bought out many of the weaker ones. The number of state-owned corporations swelled from 86 to 740 during Echeverría's regime. The federal deficit increased sixfold, contributing to an inflationary spiral as prices rose by about 22 percent a year. While inflation priced Mexican exports out of foreign markets, the cost of imported oil quadrupled. (Major new domestic oil deposits were not discovered until 1977.) Mexico's balance of payments deficit tripled between 1973 and 1975, placing great, ultimately overbearing, pressure on the value of the peso.

Asking Forgiveness

A sense that something was very wrong started to spread among Mexicans by the summer of 1976. Indeed, Echeverría's regime nearly fell apart in its final months. In early August, an unidentified terrorist organization attacked a car that was carrying Margarita López Portillo, a sister of José López Portillo, the President-Elect. She was unhurt, but one of her bodyguards was killed; three others were wounded, and the leader of the gang was shot to death.

Later that month, after months of official denials, the government decided to "float" the peso, letting it find its new level—which the Bank of Mexico pegged at 19.90 to the dollar, a 37 percent drop in value from the longstanding rate of 12.50. The government again floated the peso on October 26, and the exchange rate quickly fell to 26.50 to the dollar. For those who had viewed the currency's strength as a manifestation of "the Mexican miracle" and cause for national pride, this was bitter medicine indeed.

In November 1976, events in northern Mexico created further tension. Around the middle of the month, landless peasants seized several hundred thousand acres from some 800 landowners in the states of Sonora, Sinaloa, and Durango. On November 20, Echeverría, not about to give up power till the final minute (his term expired on December 1), suddenly expropriated nearly 250,000 acres of rich, privately owned land in Sonora for new, collective *ejidos*. Outraged landowners protested, and in Sinaloa, 28,000 of them announced a stoppage in the fields. A week later, in a fitting finale to the Echeverría regime, explosions rocked commercial buildings in Mexico City.

José López Portillo, a lawyer, professor, and Echeverría's

treasury secretary and lifelong friend, finally assumed the Presidency on December 1. In a conciliatory inaugural address, he offered an olive branch to the alienated private sector and begged for "pardon" from the poor and dispossessed. "The solution," he had proclaimed throughout the campaign, "lies in our cooperation."

Striving to return the country to normal, López Portillo distributed high-level offices to representatives of a broad spectrum of Mexican society: labor leaders, peasant spokesmen, seasoned politicians, educated *técnicos*—even some private businessmen, a rarity in Mexican politics. He offered amnesty to political prisoners (no one knows how many) and seemed sincerely interested in cleaning up elections, ousting old-time bosses, and democratizing—to an extent—the political process. Political change has been real, though limited.

Other changes may prove more difficult to achieve. It will be unclear for years to come whether Mexico's recent oil discoveries can help resolve the country's chronic social tensions. The gap between rich and poor is steadily increasing, as it has been for many years. The population continues to grow at an astounding rate, perhaps by as much as 3.6 percent annually. Already over half of Mexico's population is under 15 years of age, a burden that will place Mexican society under severe stress within a decade.

López Portillo and his colleagues are conscious of these trends and seem genuinely anxious, if only out of self-interest, to get them under control. Prospects for the immediate future are mildly encouraging. The real test, however, will not come in the short term but in the long term. If leadership fails, Mexico's *mestizo* people may be in for still more years of pain.