

May 19, 1987

MEXICO'S MANY FACES

Paul R. Wisgerhof
Senior Fellow

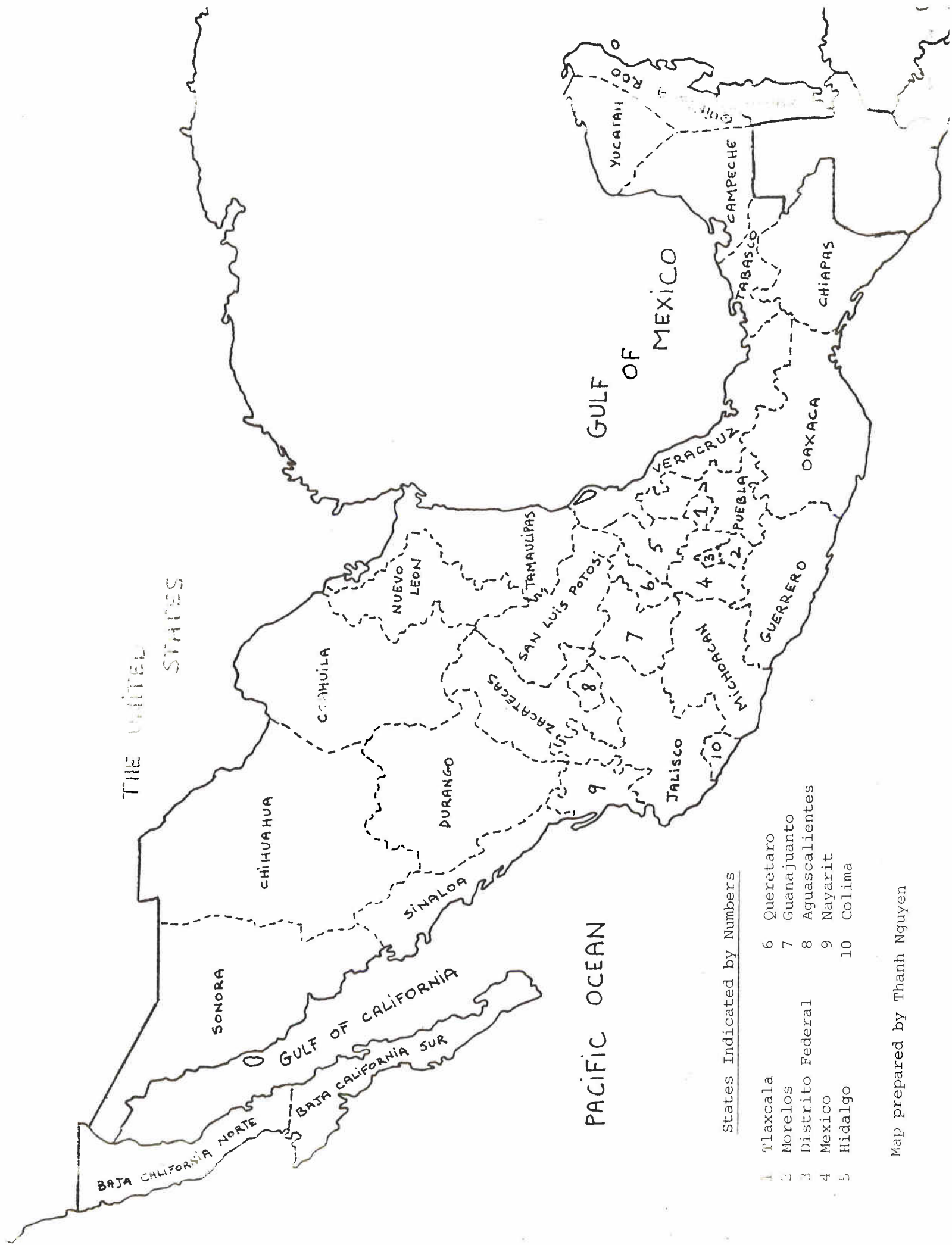
INTRODUCTION

Mexico is a kaleidoscope of peoples, land forms, climates, and economies. It is bounded on the north by the United States and on the south by Belize and Guatemala. While Mexico's racial spectrum varies from pure white to pure black, most Mexicans are mestizos, a mixture of white and Indian blood. Spanish is the official language, but some 50 Indian tribes survive, speaking 60 indigenous languages.

Mexico has an area of about 763,000 square miles, or the equivalent of the entire United States east of the Mississippi River minus Wisconsin and Michigan. The population is estimated at 79 million at the end of 1986, giving a population density of a bit over 100 per square mile. The U.S., with an area of 3.6 million square miles and a population of about 237 million, has a population density of about 66 per square mile. Nearly 25 percent of all Mexicans live within a 50-mile radius of Mexico City, and almost 50 percent of the nation's population resides in the 106,000 square mile central highland region. Mexico's population is growing at a rate of between 2.5 and 3.0 percent per year. This will push the population over the 100 million mark early in the 1990s.

Centralism. The overarching theme of Mexico is centralism. All major government decisions are made in Mexico City. All air and land transportation networks radiate from

This is the third in a series of Heritage studies on Mexico. It was preceded by Backgrounder No. 575, "Mexico: The Key Players" (April 14, 1987) and Backgrounder No. 573, "Keys to Understanding Mexico: Challenges to the Ruling PRI" (April 7, 1987). Future papers will examine other Mexican political parties as well as the nation's economic and foreign policies.



THE UNITED STATES

GULF OF MEXICO

PACIFIC OCEAN

States Indicated by Numbers

- 1 Tlaxcala
- 2 Morelos
- 3 Distrito Federal
- 4 Mexico
- 5 Hidalgo
- 6 Queretaro
- 7 Guanajuato
- 8 Aguascalientes
- 9 Nayarit
- 10 Colima

Map prepared by Thanh Nguyen

Mexico City, as do most communications nets and the national media. Most businesses have headquarters in Mexico City. The banks, nationalized in 1982, are run from Mexico City. The dominant political party, the Institutional Revolutionary Party (commonly called "PRI" from its initials in Spanish) has its national base in Mexico City. Its most effective opposition party is centered in the north, with some inroads now being made in the Mexico City suburbs.

Although geographically a part of North America, Mexico is culturally and linguistically very much a part of Spanish-speaking Central and South America. While the politicians and intellectuals who run the government are very wary of the cultural and political influence of the United States, the people are much less so. Even though the relationship between the two nations' governments is often tense, that between the peoples is usually warm.

THE U.S.-MEXICAN BORDER

Running from Tijuana, Baja California, to Ciudad Juarez, Chihuahua, and then along the Rio Grande River to Matamoros, Tamaulipas, is Mexico's 1,987-mile border with the U.S. Politically and geographically the border province can be divided into three pieces: the Rio Grande valley from Matamoros to Ciudad Juarez (Brownsville to El Paso, Texas); the desert center from Ciudad Juarez to San Luis, Sonora (El Paso, Texas to Yuma, Arizona); and the California area from San Luis to Tijuana (Yuma, Arizona to San Ysidro, California).

Free Zone. A 16-mile-wide strip along the border is a "free zone." No duty is paid on the Mexican side until the goods pass into the Mexican customs region at the customs and immigration check point 16 miles inside the border. The Mexican "free zone", coupled with the provisions of Section 807 of the U.S. Tariff Schedule, have given rise to the so-called "maquiladora" industries, literally meaning "hand made." These are manufacturing firms which import parts, semi-finished material, and sub-assemblies from the U.S. and complete the product in Mexico. Duty is paid only on the value added to the product in Mexico. Wage rates are very low compared to similar work rates in the U.S., and the duty paid on the finished product is also typically little or nothing. There are some 700 maquiladora plants along the border, concentrated in Matamoros, Reynosa, Nueva Laredo, Ciudad Juarez, Nogales, Mexicali, and Tijuana.

Agriculture is important along two segments of the border: the Rio Grande valley, and the Mexicali to Colorado River sector of Baja California. Both areas use irrigation and concentrate on tomatoes, lettuce, carrots, and other crops in demand in the U.S., particularly in winter. Baja also raises cotton for local use while the Rio Grande Valley produces beef, corn, and grain crops for Mexican consumption. Beef cattle production is important along most of the border.

Speaking Spanglish. The key border "service" industry is tourism--in both directions. When the peso is cheap, as it now is, Americans flock to Mexico to buy gasoline, sugar, and Mexican handicrafts. When the peso is expensive, as it was from 1978 to 1983, Mexicans cross into the U.S. for clothing, consumer goods, and luxury items. The most important centers for this trade are the "twin" cities of Tijuana/San Diego; Ciudad Juarez/El Paso; Nuevo Laredo/Laredo; and Matamoros/Brownsville.

Border area Mexicans culturally are far more influenced by the U.S. than the rest of Mexico and are often more mestizo, middle class, and "Mexican" than many of their neighbors of the larger cities of Northern Mexico. Spanish is spoken by most residents on both sides of the border, but English will be heard on the Mexican side much more frequently than farther south. A special jargon, sometimes called "Spanglish" is often heard in East Los Angeles and Ciudad Juarez.

A big business for the border residents is illegal immigration to the U.S. Mexicans by the thousands travel to the border every week, looking for work. Some cross daily, picking up jobs in agriculture along the Rio Grande or in the Imperial Valley. Others head farther north toward central Texas, Chicago, and New York. One group of illegals comes to the U.S. annually, works for six to twelve months, and returns home; another group arrives and stays, with little or no intention of returning until it is time to retire.

THE DYNAMIC NORTH

The ten states of northern Mexico (Baja California Norte, Sonora, Sinaloa, Chihuahua, Coahuila, Nuevo Leon, Tamaulipas, Durango, Zacatecas, and San Luis Potosi) are among the most dynamic and progressive states in the nation. Generally dry, underpopulated (44 percent of the land area; 14 percent of the population), mountainous, and far from Mexico City, the north has prospered more than most of Mexico during this century. The key to this prosperity is big business and big agriculture.

Monterrey, a city of 2.7 million, is the capitol of Nuevo Leon and one of the major industrial and commercial centers of Mexico. The five major industrial groups headquartered in Monterrey and their associated firms produce about \$48 billion per year of goods and services, or roughly 25 percent of Mexico's GNP. These Big Five are: Alfa (steel, consumer goods, and services), VISA (Carta Blanca beer, agriculture, and trucking), CRISA (Mexico's largest glass maker), CYDSA (Mexico's largest private chemical company), and PROTEXA (oil-field equipment, pipelines, and related services). The families running these operations are the Garza, Laguera, Sada, Paez, Zaragosa, and Wolf.

Mexico's Motown. Monterrey, and its neighbor in Coahuila, Saltillo, have become the Detroit of Mexico. General Motors, Chrysler, and Ford have large plants in the area, which make engines (Ford in Monterrey) and assemble cars (GM and Chrysler in Saltillo). Other major industrial complexes in the region include the steel mills at Monclova, Coahuila; truck assembly plants in Chihuahua City, Chihuahua, and Ciudad Victoria, Tamaulipas; Ford's big car assembly plant in Hermosillo, Sonora; and a host of mining operations scattered through virtually every state in the region.

Agribusiness is the other key to the north. Despite, or in some cases because of, the land reform earlier this century, large-scale agricultural businesses have prospered in Northern Mexico, which accounts for 40 percent of all irrigated land and 65 percent of Mexico's agricultural exports. The major centers are in Baja California, around Mexicali where cotton and winter vegetables predominate; in the Hermosillo, Ciudad Obregon, and Navojoa areas of Sonora where cotton and vegetables predominate, but where there is also a large canning industry for domestic consumption; the wine and fruit growing area around Torreon and Parras, Coahuila; and the grain, vegetable, and fruit growing areas of Nuevo Leon and Tamaulipas.

Cattie, Lumber and Tourists. Cattle raising is very big business in all of Chihuahua, Coahuila, Durango, and Zacatecas, where nearly 70 percent of Mexico's beef cattle are raised. Lumbering is also important in Chihuahua and Durango, with the two states accounting for over half of Mexico's lumber production.

Tourism is very important in Baja California Norte (Tijuana and Ensenada), Sonora (Guaymas and Topolobambo), and Sinaloa (Mazatlan). Any American tourist driving from the U.S. to Mexico City will pass through the region, spending from one to three nights on the way.

The people of the North differ from their brethren in central and southern Mexico. The Indians of the north fought hard against the whites. The Apaches in Sonora and Chihuahua did not put down their weapons until 1888. The Comanches of Coahuila, Nuevo Leon, and Tamaulipas were pacified about 1880. The Tarahumaras of Chihuahua never formally settled with the government, but have not fought anyone for about 100 years. The Yaquis of Sonora finally stopped fighting in the 1930s when the government gave them land along the Yaqui River, and constructed a dam to irrigate their fields.

Tough Bargains. The difficulties involved in settling this vast area produce very self-sufficient people who come to the point quickly and do not beat around the bush or equivocate. The northerners drive tough bargains. Indeed, other Mexicans call the people of Monterrey Los Codos, or the cheapskates. The distance from Mexico City and the relative proximity to the U.S. predictably have increased U.S. cultural influence in this area. English is spoken more commonly, especially among the upper and middle classes, who also tend to educate their children in private schools, out of reach of the leftist public school teachers' unions.

The north has always been a violent land. Here the revolution of 1910 began, and many of the bloodiest battles were fought in Chihuahua and Nuevo Leon. Today, Sinaloa and Durango are the center of major opium poppy and marijuana production. The poppy sap is converted to Mexican brown heroin, which accounts for a significant portion of all heroin consumed in the U.S.

THE GULF COAST

Running from Tampico on the north to the Tabasco-Campeche border on the south, the Gulf Coast is a land of contrasts. (The strip north of Tampico could also be included, but it more properly is part of northern Mexico. The coast north of Tampico is mud flats, sand dunes, and scrub, typical of the grass savannah meeting the sea anywhere in the world.) Here the Spaniards first met the Mexico of the Aztecs and founded Veracruz as the first port of the new land.

Cortez landed in Veracruz in 1519. The port and town became his capital and center of supply during the campaign to conquer the Aztecs in far off Tenochtitlan (Mexico City). Veracruz is the center of one of the important agricultural states of Mexico. The state is the nation's largest producer of pineapple, sugar cane, potatoes, beans, chili, and oranges. It has a population of about 6 million, of whom some 370,000 are pure Indians. Oil has been an important element in the state's economy for decades. Because much of the oil has a high sulphur content, and because some of the wells drilled for oil only produce sulphur, Veracruz is the nation's largest producer of that important chemical product.

Smuggling North, Then South. Shipping also is an important industry in this region. Tampico, Tamaulipas, is the major port for northern Mexico and has been a center for smuggling since the U.S. War Between the States; in those days, however, the goods were smuggled into the Confederacy whereas today the flow has been reversed, with goods being smuggled into Mexico. Tampico also boasts one of Mexico's large oil refineries, and has a growing chemical industry, thanks to the natural gas supplied by the "Cactus" pipeline from Campeche.

South of Tampico, where the Sierra Oriental mountains come down to the Gulf, is one of Mexico's oldest oil towns: Pozo Rico. Oil has been produced here for nearly 80 years, first by foreign companies, and since 1938, by the Mexican national petroleum company, PEMEX. From Tuxpan south, to Tabasco, in a band from five to 70 miles wide, is the center of Mexico's tropical agriculture. Prior to the major land reform programs of the 1930s and 1940s, much of this land was part of enormous haciendas or plantations. Now, most of the land is held by small farmers, a result of the land reforms of the 1930s. South from Veracruz the land becomes progressively wetter, with rainfall increasing from about 70 inches per year at Veracruz to over 150 in Tabasco.

Hot and Wet Tabasco. At the southernmost point of the Bay of Campeche is the old port of Coatzacoalcos. Home of PEMEX's operations in the Isthmus of Tehuantepec, the narrow waist of Mexico, Coatzacoalcos is the fastest growing port of Mexico. It is also the eastern terminus of the Tehuantepec railroad to the port of Salinas Cruz on the Pacific, and a major transshipment point for Mexican and U.S. cargo destined for the Pacific coast from the eastern and gulf ports of the U.S., and vice versa. The major oil fields at Minatitlan have been producing for 40 years. Major refineries and processing plants have been built at both Coatzacoalcos and Minatitlan. Agriculture in the region is chilis, sugar, and beans. Most of the original population was Indian, but they have been supplanted by mestizos from all parts of Mexico.

Beyond Coatzacoalcos lies the wet state of Tabasco. The capital is Villahernosa, one of the few dry areas in the state. An agricultural state, Tabasco is famous for its hot chilis, especially the world renowned jalapenyo--the smaller ones of which are among the hottest peppers raised anywhere in the world. Other major crops include sugar cane and henequen, a plant used to make natural fiber rope. Tabasco was the western edge of the Maya culture. Archeological sites still can be found, and several are well developed tourist attractions.

THE HEARTLAND

The heart of Mexico runs from Guadalajara and Aguascalientes on the West and North to Tlaxcala and Puebla on the East and South. Some 18 million people live in Mexico City and about an equal number live in the remainder of the heartland region of: Aguascalientes, Jalisco, Guanajuato, Queretaro, Hidalgo, Michoacan, Mexico, Federal District, Morelos, Tlaxcala, and Puebla. The region is a high plateau, with floor elevation between 5,000 and 8,000 feet. The surrounding mountains have peaks ranging from 11,200 to more than 17,000 feet. The region covers an area about the size of Colorado.

Rolled Into One. Mexico City, for the Mexican, is New York, Washington, and Los Angeles rolled into one. As has been the case for centuries, all roads lead to Mexico City. The City is the most densely populated area of the country and one of the densest communities in the world. The City's 3.5 million motor vehicles in an 8,000-foot high valley surrounded by 12,000-foot mountains create one of the world's worst smogs. This is aggravated by the 40 percent of Mexico's industry that is located in the City.

As the seat of government, Mexico City is home to the President, the 464 member Congress, and some 800,000 other bureaucrats who comprise the government. Together with perhaps another 750,000 members of the upper class they run most of the nation. Just below them on the socioeconomic scale are the 6 million members of Mexico City's middle class. Then come 8 million poor and another 3 million who have either arrived too recently in Mexico City to be an effective part of the economic system or who have "dropped-out" of the economic system altogether.

In the eastern part of the city, beyond the airport, lies the working class suburb of Netzahualcoyotl. Its 3 million people live in some of the worst slums in the hemisphere. In stark contrast are the wealthy suburbs of Lomas de Chapultepec, Bosque de las Lomas, and Polanco.

THE IMPOVERISHED SOUTH

The states of Oaxaca and Guerrero include some of the most beautiful scenery in Mexico and some of its most abject poverty. This was part of "old" Mexico and the home of several of the nation's revolutions.

Both states' chief economic activity is agriculture. The principal crops are coffee, tobacco, sugar, pineapples, and rubber. Lumbering is also important, especially in Oaxaca. Each state is overpopulated, and the land is divided into ever smaller plots through Mexican inheritance laws. As farms become too small to support the average family, many farmers have moved into towns and cities to become artisans or laborers.

Old Indian Ways. Many areas of both states are remote, lacking in medical and sanitary facilities. The writ of the central government is weak. This is Indian territory. Most of the population is of either the Mixtec or Zapotec tribe, although at least 16 other tribes live in the region. Outside the towns, the Indians continue in their old ways, further debilitating the government's attempt to exercise effective control of the region.

The Yucatan peninsula is composed of three states: Campeche, Yucatan, and Quintana Roo. This is the home of the Maya, the builders of some of Mexico's proudest archeological monuments.

Oil and agriculture form the economic base of the region. The Campeche fields on the southeastern edge of the Gulf of Mexico are among the most productive in the nation. Major off-shore operations are centered on the Campeche towns of Carmen and the state capitol, Campeche. The major agricultural crops are sisal (from the henequen plant, used to make natural fiber rope), corn, beans, and cattle. A growing number of farmers is specializing in tropical fruits for export to the U.S.

Tourism is the most important growth industry in the three-state region. In Quintana Roo are Cancun, Cozumel Island, and Isla Mujeres. Both Yucatan and Campeche boast impressive Maya ruins, all well visited.

Exchanging Yucatan For Defense. In 1846-1847, the Governor of Yucatan offered to give the territory to the U.S. in return for a defense of the Mexicans from attacks by the disaffected Maya Indians. Causing these attacks was the near-slavery in which the Indians were held. The entire Yucatan was in sporadic rebellion from 1850 to 1899. President Porfirio Diaz in 1896 sent the Mexican army to Yucatan, along with a construction company to build the army a railroad on which to move supplies. The army crushed the Maya resistance.

From the northern perspective, Chiapas lies at the end of the Mexican road. Bordering on Guatemala, it is the forgotten corner of the nation. Since the discovery of oil in 1975, however, and because of the growing geopolitical importance of the border, the state is getting increasing attention from Mexico City. Chiapas also hosts all refugee camps for displaced persons from Central America.

Chiapas is mostly mountainous, except for a small region in the southern part of the state called the Soconusco, famous for raising tropical fruit and cocoa trees. Much of the state is covered in jungle. The major crops are sugar, corn, beans, cotton, and wheat, with the number one crop now coffee.

THE PACIFIC COAST

This scenic area favored by tourists includes all of three states and parts of five others. Fully included are Baja California Sur, Nayarit, and Colima, plus a band about 30 miles wide extending from just north of Mazatlan, Sinaloa, to the Oaxaca-Chiapas border on the south.

The most important industry for the region is tourism. Major resorts exist at Cabo San Lucas and San Jose de los Cabos, Baja California Sur; Mazatlan, Sinaloa; Manzanillo, Colima; and Ixtapa/Zihuantanejo and Acapulco, Guerrero. The tourists come for the climate, fishing, and nightlife. The fishing also is an important industry in Baja, Sinaloa, and Guerrero.

The major ports of the littoral area are La Paz, Baja; Acapulco, Guerrero; and Salina Cruz, Oaxaca. The latter is the Pacific terminus of the trans-isthmus railroad from Coatzacoalcos. The largest single steel mill in Mexico is located at Lazaro Cardenas, Michoacan. Other industrial efforts in the region are generally small to medium-sized and concentrate on the local market. Agriculturally this is a rich area. Coconut, pineapples, sugar, tropical fruits and vegetables, and cotton are important crops.

NATIONAL CONCERNS

There are, of course, elements in the "Mexican equation" which should be dealt with on a national rather than a regional basis. Among them is the matter of cultural dominance of Mexico by the U.S., or at least a perception of this on the part of the politicians in Mexico City.

The government of Mexico may fear the U.S. for many reasons, but the one issue that raises anti-U.S. rhetoric to its highest pitch is the question of U.S. cultural influence in

Mexico. Most of those who attempt to limit U.S. influence see increasing U.S. cultural penetration of the Mexican scene as harmful to Mexico's national unity and to the people's perception of themselves as a dynamic force in hemispheric and world affairs and potentially destabilizing to the nation as a whole. Nevertheless, U.S. television is available by cable in most major Mexican cities, and U.S. TV programs and movies dubbed in Spanish are everywhere, including the smallest towns and villages.

Racial Discrimination. While the problem is being reduced, Mexico still suffers from racial discrimination, at least among the upper class. One finds few mestizos and virtually no black entrepreneurs among the ranks of big business. Likewise, except for a few members of the ruling Institutional Revolutionary Party (PRI) who represent predominately black or Indian districts, the upper strata of the government are mostly white.

A large majority of the urban poor are recently arrived immigrants from farms and villages. Many are Indians, and almost all others are mestizos. A portion of the poor is black, especially along the coast in the Veracruz region.

Outside the big cities in the high plateau region, agriculture predominates. This is the bread-basket of central Mexico, with corn and beans as the major crops along with wheat, vegetables, and dairy/beef cattle. This area was initially organized by the Spaniards into large haciendas or plantation/estate agricultural areas. This was ended by the 1910-1920 revolution. The land reform of President Plutarco Calles and his successors gave small farmers tenure of 5 acres, more or less, depending on the condition of the land, and established cooperative farms for up to 100 families. In most cases, title to the land remains with the State.

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.