

# WebMemo



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## Mexico's President Visits Washington: Time for a Responsible Neighbor Policy

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Mexican President Felipe Calderón's visit to Washington on May 19–20 highlights the complex nature of America's critical relationship with its southern neighbor. President Obama will honor Calderón with a lavish state dinner, and the Mexican leader will address the U.S. Congress. The visit will set the tone for relations for the remainder for the Calderon and Obama Administrations.

Despite its current troubles, Mexico, with its proximity to the world's greatest democracy and most dynamic market, still has an unparalleled opportunity to, in cooperation with the U.S., harness the energy and creativity of its 110 million citizens and fuel mutually beneficial economic growth. Therefore, a primary objective of the Calderón visit should be keeping both parties focused on ways to develop a responsible cross-border relationship.

**NAFTA Still Counts.** Since 1994, the North American Free Trade Agreement (NAFTA) has lifted two-way trade to nearly \$375 billion annually, doubled U.S. agricultural sales to Mexico, and made Mexico the U.S.'s third largest trading partner after Canada and China. U.S. direct investment in Mexico now totals more than \$130 billion.

Although President Obama has backed away from campaign rhetoric demanding a renegotiation of NAFTA, he has yet to prove his free trade credentials. The U.S. acted irresponsibly by not honoring a NAFTA commitment to begin a cross-border trucking program. Congress's failure to fund the program sparked Mexican tariff reprisals that have cost tens of thousand of U.S. jobs. President Obama needs to expend political capital to get the trucking program rolling.

If Mexico is to do more than play development catch-up, it should press forward with economic reforms and deregulation, break up monopolies that hamper job creation, open its energy sector to foreign investment, and radically improve the quality of its educational institutions.

### **U.S.–Mexico Drug Cooperation Essential.**

President Calderón's place in history is being defined by his fight against Mexico's deadly drug cartels. Mexican drug organizations dominate the cocaine supply chain that feeds U.S. consumers. Cartels capture an estimated \$30–35 billion in illegal earnings, field up to 100,000 heavily armed gunmen, and exert a deadly presence along the U.S.–Mexican border and deep into Mexico's heartland. Drug violence in Mexico has claimed over 22,000 lives since 2006, and Mexican drug trafficking organizations can be found in over 230 U.S. cities.

Despite these grim statistics, the U.S. and Mexico have achieved an unprecedented level of counter-drug cooperation. Continuing President George W. Bush's \$1.3 billion Merida Initiative, the U.S. has delivered aircraft, police training, computers, and drug detection machinery to Mexico's federal police. Through joint border enforcement teams and hundreds of extraditions of Mexican criminals, the U.S.

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and Mexico have forged a strong anti-drug partnership. Both sides are exploring innovative community-based policing efforts to address violence in hotspots like Ciudad Juarez.

Both Presidents should look for ways to extend and strengthen the Merida Initiative and accelerate critical reforms needed to build professional, corruption-free police forces and deliver equitable and effective justice in Mexico. The Presidents should enhance military-to-military cooperation and advance secure drug intelligence sharing. In order to stop the southward flow of firearms and cash into Mexico, President Obama should commit to enforcing existing laws—instead of pressing the U.S. Senate to approve the Organization of American States' flawed Inter-American Firearms Treaty. Finally, President Obama needs to be reminded that he has yet to speak out frankly and openly about the legal, moral, and health consequences of illegal drug consumption.

**Immigration Laws and Border Security Need to Improve.** Although a matter to be resolved by U.S. domestic legislation, immigration reform will be on the agenda. With an estimated 6.6 million Mexicans residing illegally in the U.S., American citizens and legal residents and visitors are rightfully concerned about this nation's broken immigration system.

The keys to progress on immigration reform are improved border security to guard against illegal entry, enforcement of existing immigration laws, and a vibrant temporary worker program that permits greater legal, demand-driven mobility across the southern U.S. border.

On the Mexican side, President Calderón has a responsibility to help brake the export of Mexican manpower. Fresh attention needs to be placed on strategies that encourage job growth and economic opportunity in Mexico and reduce migrant-producing poverty through social, educational, and investment incentives.

#### **Four Essential U.S.–Mexico Goals:**

1. *Reaffirm commitment to NAFTA fundamentals.* President Obama should commit to swiftly ending the trucking dispute and affirm a commitment to free trade and economic competitiveness.

2. *Solidify anti-drug efforts.* President Obama should reiterate his commitment to a sustained, multi-faceted anti-drug strategy that targets drug malefactors, combats the southern flows of guns and cash, and builds law enforcement capacity in Mexico. President Obama should also commit to personal involvement in drug demand reduction efforts.
3. *Advance a three-pronged immigration policy.* President Obama should not make amnesty the key to immigration reform. Instead, he should focus on denying illegal entries at the border, vigorous enforcement within the U.S., and improving the legal immigration process through steps such as a pilot program for temporary workers and visa reforms. As a responsible partner, President Calderón needs to show that his country values its human capital and is prepared to reform economic policies, remove distortionary economic structures, and accelerate growth.
4. *Create a pathway for Mexican democracy and prosperity.* The Presidents need to address long-term factors of economic growth, competitiveness, technological innovation, and creative entrepreneurship that will keep North America in the global economic vanguard.

**A Duty to Their Citizens.** In the long run, the U.S. needs a democratic, stable, and increasingly middle-class Mexico securing its southern flank. A Mexico consumed by the anarchic violence of drug cartels or accustomed to exporting its labor force illegally to the U.S. will only absorb scarce resources and generate further cross-border friction.

Presidents Calderón and Obama have a duty to their citizens to advance a responsible neighbor policy focused on security and law enforcement cooperation, the legal movements of migrants and temporary workers, and mutually beneficial trade and investment ties founded on transparency, rule of law, and respect for national sovereignty.

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