Dateline Mexico by Carlos Cota Meza

NAFTA and the All-Star game

With the North American Free Trade Agreement, Mexico is destined to become a new "star" on the American flag.

Despite suffering the humiliating slings and arrows of a hyperactive George Bush, Mexican President Carlos Salinas de Gortari got what he wanted during his July 14 meeting in San Diego, California with his U.S. counterpart: a definitive declaration that the trilateral North American Free Trade Agreement (NAFTA) would be signed this year, and that the U.S. electoral process would not be allowed to interfere in negotiating the pact. This, of course, is the fundamental requirement for keeping that illusion known as the "Mexican miracle" from going to hell.

Throughout the San Diego meet, Bush ignored all protocol and behaved like a bull in a china shop, anxious only to clinch the deal and get back to the campaign reelection trail. Thus, in response to protests from the Mexican government (presented however reluctantly by Salinas) regarding the U.S. Supreme Court ruling authorizing kidnaping of foreign nationals—and particularly of Mexicans—Bush responded with a cynical "we won't do it again."

Bush's hyperactivity was such that during the press conference following his interview with Salinas, he told reporters that he had to run to the Jack Murphy stadium, where he was going to watch the first pitch at the All-Stars game by legendary player Ted Williams. Bush insisted on limiting the reporters to two questions to each President and was so obnoxious that Salinas had to interrupt him to reiterate that the U.S. Supreme Court ruling was "invalid and unacceptable [and] contrary to tests of law." Salinas's protests came off like a pathetic slow grounder to the pitcher.

Resentful at not being treated like a major leaguer, a miffed Salinas told the Spanish news agency EFE a couple of days later that "it is the negotiations themselves which will determine the pace [of NAFTA], and not any fixed date that we never established." The president of the Mexican Senate's trade commission, Carlos Sales Gutiérrez, officially responded to Bush that "there could be extra innings in case there is a tie at the end of the ninth inning."

And yet, the next day, U.S. Trade Representative Carla Hills declared in San Antonio, Texas that NAFTA "will be signed this year, but because of the congressional calendar won't go into effect until 1993."

There is little question that the electoral process in the United States *will* intervene in the NAFTA talks—to push it along and to demonstrate in all its crudity what it really is: the annexation of strategic sectors of the Mexican economy by certain powerful U.S. economic interests.

On the day of the San Diego meeting, Washington announced that the Mexican government had agreed to permit foreign companies to participate in the exploration and exploitation of crude oil, under the rubric of the so-called "performance contract."

Only days earlier, on July 8, Francisco Rojas, the director of the state oil company Pemex, told the Mexican Chamber of Deputies that "no form of this kind of contract will be accepted, no matter how it is gift wrapped." Rojas nonetheless acknowledged that the Mexican government and Pemex itself had been subject to "pressures of every kind to gain access to that immense source of wealth and profit." Salinas handed over Mexico's oil virtually from the Jack Murphy "dugout."

At the same time, Mexico announced that it will reclassify six of the remaining 19 petrochemical products still under Pemex's control—the third reclassification in six years. In 1986, some 36 products were affected, and 14 in 1989. Now, the products still handled by Pemex are reduced to 13.

Also on July 14, U.S. Agriculture Secretary Edward Madigan announced that his country and Mexico had agreed "to eliminate tariff and non-tariff barriers on all products of bilateral trade. . . . Not only in agriculture, but in all U.S.-Mexican trade." All that remained, he emphasized, was to set the specific timetable for this "total liberalization."

One day later, several U.S. newspapers published that Mexico "has agreed to open its banks and its insurance, finance, and real estate agencies to U.S. and Canadian companies as part of a drive to complete" NAFTA. Liberalization of the Mexican financial sector would be achieved gradually over the next seven years, and would be so generous that U.S. institutions would be permitted to do in Mexico what they are prohibited from doing in the U.S. by the Glass-Steagall Act, which expressly forbids the creation of monopolies within the financial sector.

The argument is that the reprivatized Mexican banking system urgently needs fresh capital, but the truth is that this "opening" is the condition agreed to by Mexico's bankers to acquire the more than $5 billion in foreign credit used to buy back their banks.