

Part II: An Independent Nation

The war between Mexico and the United States alarmed Mexico's political leaders. The U.S. desire for expansion was a grave threat to Mexican territory and Mexican independence. The war had exposed the fragility of the country. Mexican leaders realized that if they did not quickly establish control and stability in the country, they risked losing it altogether.

Progress, Reform, and Order

Defeat at the hands of the United States in 1848 led many in the Mexican elite to question their country's cultural foundations. They blamed traditional social structures, including the Catholic Church and the military, for Mexico's loss. The urban middle class emerged as a powerful political force, advocating complete reform of Mexico's political, economic, and social institutions. These reformers, known as liberals, advocated principles of individual responsibility and private property, and they believed European and U.S. ideas of progress could serve as a model for Mexico's reform.

What was La Reforma?

The liberals led a revolt against Antonio López de Santa Anna, who was again in power, and took over the government in 1855. Implementing their program of reform, *La Reforma*, the liberals immediately began to work to reduce religious and military privilege. At the time the liberals came to power, the Catholic Church owned much of Mexico's best farmland, as well as many urban properties, and Mexicans were required by law to pay a percentage of their income to the church. Legislation passed during *La Reforma* forced the church to sell all property that did not have religious buildings, established a clear separation of church and state, and restricted the authority of military and church courts. In 1857, middle-class professionals drafted a new constitution which protected basic human rights and established a democratic, representative government.

Opposition to the liberals and the new legislation was great, particularly among conservative members of the church and the military. Many indigenous communities were also opposed to the liberals' method of reform. Most rural communities were structured around the church and did not welcome the liberals' changes. Furthermore, the same law that forced the church to sell its extra properties also forced indigenous communities to sell their *ejidos* (traditional communal lands). Policy makers intended to transform indigenous people into independent small farmers. Instead, the law forced most of Mexico's six million indigenous people off their lands, which were then bought up by large landowners.

How did conservatives try to regain control of Mexico?

Conservative elites were afraid that these reforms would strip them of their economic and social privileges. In 1858, they forced the liberals out of Mexico City and took over the government. The liberals fled to the port city of Veracruz where they formed a government in exile. This government was led by Benito Juárez, a highly educated lawyer who, despite his indigenous roots, firmly believed in European ideals of progress and reform. The two governments battled for control of the country. This civil war lasted for three years, with a great deal of violence and destruction on both sides. In 1861, liberal forces were victorious. They retook Mexico City and reformed their government with Juárez as president.

The cost of the war bankrupted Mexico's economy. Juárez was forced to suspend Mexico's repayment of foreign loans. In January 1862, British, French, and Spanish troops occupied Veracruz to make sure that Mexico would repay the money as soon as possible.

The French also had a hidden agenda. Mexican conservatives, desperate to return to power, had negotiated with France's emperor to create a new Mexican monarchy. The

French agreed and invaded Mexico in 1862, installing a European emperor to rule the country. But the French had overestimated the conservatives' popular support. Most Mexicans did not accept the new monarch, and the liberals led resistance to the new government across the country. They were seen as the defenders of Mexican nationalism, and popular support for Juárez and the liberals soared.

In 1865, the United States ended its own civil war and began to support the Mexican liberals with arms, ammunition, and volunteer soldiers. The French withdrew in 1866, and in 1867, liberal forces defeated the monarchy and executed the emperor. The conservatives were discredited and Juárez was elected president amid great public support.

How did Juárez reform the Mexican economy?

During Juárez's presidency, Mexico's economy and government were more stable than they had been at any point since independence. Juárez implemented a new economic plan based on foreign trade. Most Mexican exports were raw materials, such as agricul-

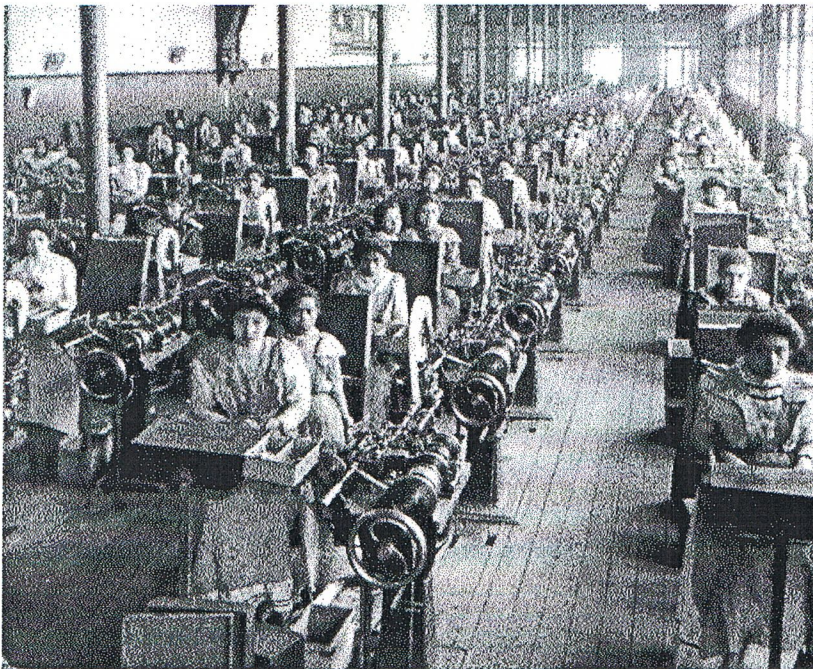
tural goods and minerals, that were needed in the booming industries of the United States and Great Britain. To make transportation of goods to and from port cities easier, Mexico needed better infrastructure, including roads, bridges, and railroads. In order to do this, the government needed money. The government encouraged foreign investors to come to Mexico to lend their resources and expertise. Juárez also focused his reforms on education, limiting the role of the church and creating many new, state-run schools.

What was the Porfiriato?

Mexico's government remained stable after Juárez's sudden death in 1872, and a new president, Sebastián Lerdo, was democratically elected to replace him. But in 1876, Porfirio Díaz seized control of the government, claiming that Lerdo had violated the constitution by running for a second term. Ironically, Díaz would rule the country for the next thirty-five years almost uninterrupted, violating the very principle he claimed to be protecting.

Díaz continued many of Juárez's reforms, building thousands of miles of railroad and modernizing roads, bridges, and ports. He focused on maintaining stability to improve Mexico's international image and to attract more foreign investors. Foreigners invested massive amounts of resources in the country. The money was used to develop industries such as steel and textiles and to modernize the country's agricultural and mining sectors with new technology. The economy grew dramatically, and foreign trade increased from about 50 million pesos in 1876 to more than 480 million pesos in 1910.

Díaz's rule in Mexico, known as the Porfiriato, was structured on his belief



Library of Congress. LC-USZ62-121395.

Women working in a cigarette factory in Mexico City during the Porfiriato, 1903.

Library of Congress, LC-USZ62-115954.



Sugarcane farmers in the late nineteenth century. During the Porfiriato, millions of farmers lost their land and were forced to work on large *haciendas* (estates).

that stability and economic growth would only be achieved through order and progress. Díaz controlled Mexico through “*pan, o palo*”—bread or the stick. This phrase meant that those who supported Díaz were rewarded (the bread) and those who opposed were punished (the stick). For example, as the economy grew, Díaz expanded the police force and created a large government bureaucracy. He used the police to brutally repress opposition movements, particularly those led by peasants and indigenous groups. He appeased his political opponents with positions in the bureaucracy. Díaz also changed the constitution in order to legitimize his lengthy rule.

What were the consequences of Díaz’s reforms?

The Porfiriato created massive inequality in Mexican society. Economic growth benefited the rich at the expense of the poor. In the countryside, Díaz continued to encourage the concentration of landholding. Land speculators and wealthy businessmen bought huge tracts of land, often forcing peasants off their lands. During the Porfiriato, indigenous communal landholdings shrunk from 25 percent to only 2 percent of Mexico’s land. Most land was incorporated into huge *haciendas*, or es-

tates, owned by foreigners and a handful of Mexico’s richest families.

Approximately 90 percent of the rural population lost its land during Díaz’s rule. Many were forced to work on the large *haciendas* for low wages. Additionally, the farms required less labor, putting many peasants out of work. Some moved to the cities to find jobs in factories and often worked very long hours for little pay.

Most of the peasants’ employers were foreigners. By 1900, close to 90 percent of Mexican indus-

try, and more than one-quarter of Mexico’s land, was owned by foreigners, primarily U.S. investors. As the economy began to slow at the turn of the century, many middle-class Mexicans became concerned with the country’s dependence on foreign money. They grew increasingly frustrated at the privileges given to foreign investors and began to protest the level of foreign involvement in Mexico’s economy. Poor workers were equally unhappy, as the government often used the national military to repress strikes by Mexican workers to the benefit of foreign owners. Rural and urban workers alike began to organize in regional and national workers’ associations. By the early 1900s, Díaz was, to many, the symbol of everything that was wrong with the country.

What did various opposition groups wish to accomplish?

Although many were unhappy with the Porfiriato, opposition groups had different ideas about what would improve the situation. Many among the middle class believed that political reform was all that was needed for things in Mexico to get better. They were content with the status quo and thought that a democratically elected president would

resolve any discontent.

“Gentlemen, you do not want bread, you want only freedom because freedom will enable you to win your bread.”

—Francisco Madero at a worker’s rally,
1910

Other rebel groups, mostly made up of peasants and workers, were much more radical. Their demands ranged from land reform to worker’s rights to reforms in education. For them, political change was only a starting point. They were fighting for land and liberty.

United only in their dislike of Díaz, the different opposition factions formed a weak alliance to force him out of power. A coalition of opposition forces led by Francisco Madero entered Mexico City in 1911 and forced Díaz into exile.

The Mexican Revolution

The end of the Porfiriato was the first step in a violent revolution that lasted for nearly a decade. There were great divisions among the opposition groups, and the Revolution meant very different things to different people. Groups had diverse and specific demands which made unification among them nearly impossible. Violent rebellions broke out across the country. A number of different leaders came to power, often by killing the previous leaders or forcing them into exile. Mexico’s leaders struggled to remain in power as the violence of the civil war continued unabated.

Who was Emiliano Zapata?

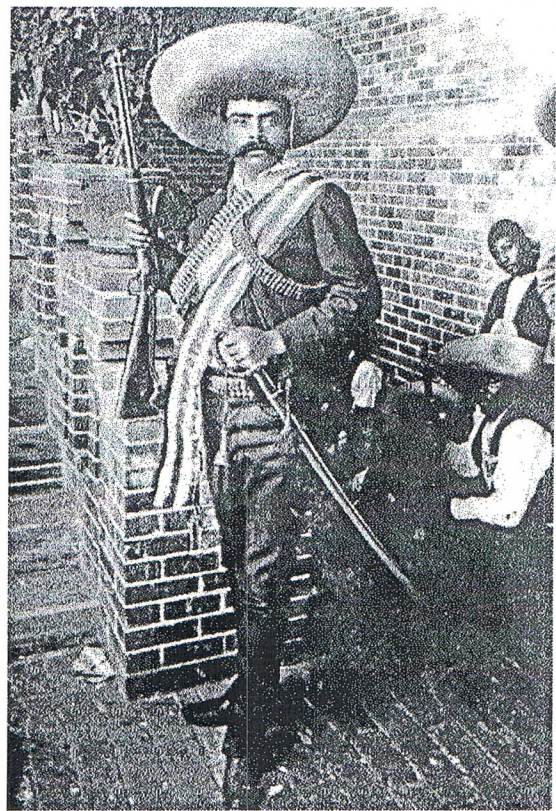
Emiliano Zapata is perhaps the most well known figure of the Mexican Revolution and a national hero to many Mexicans. Originally from Morelos, a region in southern Mexico, Zapata was one of many local rebel leaders. For a time, Zapata had worked as a skilled horse trainer on a large *hacienda*, but he left his job when he realized that the horses lived better than most of the farm workers. He

returned to Morelos and organized an army to fight for land reform and the return of lands that had been forcibly taken from peasants.

The Zapatistas, as Zapata’s army was known, not only fought opposing rebel groups but also local landowners. Shortly after Díaz was forced out of power, Zapata and his army seized a number of large *haciendas* in southern Mexico and divided them up among local peasant farmers. Wide support for Zapata’s land reform demands made his movement popular with many peasants across the country.

What other groups were involved in the Revolution?

By 1914, there were three main revolutionary groups involved in the struggle. Zapata and his army controlled much of southern Mexico, pressing for extensive land reform. In the north, Francisco “Pancho” Villa led an army of cowboys, miners, railroad workers, and farmers. Villa, a former bandit, was very



Emiliano Zapata.

Library of Congress. LC-USZ62-72425.



The Villistas. There is an "x" below Pancho Villa.

popular in the region for his lawless attitude. His army, known as the Villistas, fought for the rights of rural peasants and urban workers. The group organized a cavalry to fight opponents, took over *haciendas* and distributed the land to peasants, and robbed trains and printed paper money to finance their operations. The Villistas controlled northern Mexico for much of the Revolution.

The third group was the Constitutionalists. This force, led by Venustiano Carranza, primarily consisted of middle-class citizens who wished to reinstate the democratic principles of the 1857 Constitution. The United States provided the Constitutionalists with arms and military support, although the group publicly denounced U.S. involvement in Mexico's civil war.

Thanks in part to U.S. support, the Constitutionalists took control of the presidency in 1914. Two months later, Carranza organized a meeting of delegates from the different rebel factions in order to discuss their various demands and bring some order to the country.

Delegates arrived with weapons, exceedingly distrustful of each other. The Zapatista and Villista delegates joined together against the Constitutionalists, and many believed that the two sides could not be reconciled.

“Those are men who have always slept on soft pillows. How could they ever be friends of the people, who have spent their whole lives in nothing but suffering?”

—Pancho Villa, referring to the Constitutionalists

Fighting increased after the convention. Zapata and Villa unified their armies to force the Constitutionalists out of Mexico City. The troops occupied the city for only a few weeks before the Zapata-Villa coalition collapsed. Zapata's peasant forces were bewildered by the big city and retreated into the southern mountains. The Constitutionalists took advantage of the division to launch a major attack on the Villistas. This attack severely weakened Villa's

army and forced the Villistas back into northern Mexico.

What was significant about the Constitution of 1917?

By 1916 Carranza and the Constitutionalist controlled most of central and southern Mexico. In September of that year, Carranza organized a convention of Constitutionalist delegates to draft a new constitution. The document they created fulfilled the demands of many of the revolutionary factions, protecting both the political and social goals of the Revolution.

The Constitution of 1917 established an active central government committed to promoting the well-being of Mexican citizens. This reversed previous ideas that the government should have a limited role in the lives of ordinary people. The constitution's authors—mostly teachers, lawyers, bureaucrats, engineers, and other members of the middle class—were determined to wrest power away from large landowners, foreign businessmen, and the church. The constitution proclaimed the rights of workers to form unions and strike, with the government acting as mediator between owners and laborers. Article 27 of the constitution instated land reforms, granting rural communities the right to claim land.

This provision also gave the Mexican government, rather than foreign governments and investors, control of Mexico's mineral and petroleum resources, as well as its frontiers and borders. Among other things, the constitution formally separated the powers of the church from the state and granted every citizen the right to education. Although some principles have not yet been achieved, the Constitution of 1917 is the same one Mexico uses today.

“The Nation shall at all times have the right to impose on private property such limitation as the public interest may demand...to ensure a more equitable distribution of public wealth. Necessary measures shall be taken to divide up large landed

estates; to develop small landed holdings....”

—Article 27, Mexican Constitution of 1917

Why did fighting continue after 1917?

Most Mexicans supported the constitution. Still, those who felt that the constitution was too progressive or not progressive enough continued fighting. Others became frustrated with Carranza for failing to implement the constitution's reforms fast enough. Urban workers organized strikes, and support for Zapata grew once again as he criticized the government for not implementing land reform. Carranza's popularity declined even more when he organized the murder of Zapata in 1919. Many viewed Zapata as a martyr and Carranza as a traitor to the ideals of the Revolution.

In 1920, Alvaro Obregón, the general of the Constitutionalist army, withdrew his support of Carranza. Promising land reform, he joined with the Zapatistas to force Carranza out of power. Amid a great deal of popular support, Obregón was elected president. Obregón was powerful and capable of imposing order. Over the next four years, Obregón put down several rebellions and built a new consensus among the leading forces of the Revolution.

Remaking Mexico

The Revolution took a heavy toll on Mexico. Between 1.5 and 2 million Mexicans died during the war, mainly from disease and famine. Much of Mexico's infrastructure had been damaged in the fighting, and the economy needed serious attention. The Mexican banking system had fallen apart, and roads, farms, and municipal water systems had been damaged. Mexico needed to be rebuilt, but more than this, leaders after the Revolution faced the daunting task of implementing the reforms of the new constitution. For many Mexicans, the true Revolution was not the battles and fighting but the revolutionary social and economic changes promised by the Constitution of 1917. The reforms of this post-Revolution period would completely change Mexican society.

How did the political environment change after the Revolution?

The two major political figures of this era were Plutarco Elías Calles and Lázaro Cárdenas. Calles was president from 1924 to 1928 but exercised control over the Mexican presidency until 1935. Calles created the National Revolutionary Party (PRN) in 1929 to bring stability to Mexican politics. The PRN was a political party that united the hundreds of political movements that had arisen during the Revolution. The PRN made itself the symbol of Mexico's revolutionary reforms, using slogans and images from the Revolution to earn the public's support.

All major organizations and influential figures affiliated themselves with the PRN. Under Calles, most party members were government officials. Cárdenas, president from 1934 to 1940, opened party membership up to workers, unions, and peasants. By 1940, the party had expanded to control nearly all potential opposition. Most people trusted the party to protect the rights that had been won in the Revolution and would automatically vote for whatever presidential candidate had been chosen by the party leadership. The PRN, later renamed the Party of the Institutionalized Revolution (PRI), effectively controlled Mexican politics and the presidency for the remainder of the twentieth century.

How did the Revolution change Mexican society?

The Mexican Revolution created an surge of nationalism and a strong sense of national identity for most Mexicans. Many viewed the Revolution not only as the driving force for economic and political changes, but also as a cultural revolu-

tion. The goal of this cultural revolution was to “Mexicanize” the population so that Mexican people would respect and have pride in uniquely Mexican ways and traditions, rather than always seeking to copy Europe and the United States.

Education was the main vehicle of this cultural change. The government built thousands of new schools, particularly in remote rural regions. These schools opened their doors to rich and poor alike, and to girls as well as boys. Schools not only taught reading and writing, but also patriotism, citizenship, reverence of the agrarian lifestyle, and the dignity of work. In this way, government leaders began to blend diverse groups and regions into a unified, national culture.

“To integrate Mexico through the rural school—that is, to teach the people of the mountains and of the faraway



A Mexican primary school in the early twentieth century.

Library of Congress, LC-USZ62-119076

valleys, the millions of people that are Mexicans but are not yet Mexican, to teach them the love of Mexico and the meaning of Mexico.”

—Assistant Minister of
Public Education, 1926

How did the Mexican government restructure the economy?

The government was more cautious reforming the economy than it had been instituting cultural changes. Although foreign involvement in Mexico had inspired much of the early fighting of the Revolution, little changed in the 1920s. Foreign investment in Mexico continued to grow, and Mexico became even more dependent on trade with the United States. This was a dangerous position for the Mexican economy, as became clear during the worldwide depression in the 1930s. Foreign demand for Mexican goods and oil plummeted, hurting nearly every sector of the Mexican economy.

Like many other Latin American governments at the time, the Mexican government initiated a new plan for economic growth called Import Substitution Industrialization (ISI). Under ISI, Mexico developed its domestic industry. New factories were created to manufacture goods that Mexico had typically imported before. These factories also used agricultural goods and raw materials the country had previously exported. The government passed laws to set prices and taxes that would protect these new industries in their infancy. For many Mexicans, domestic industrialization was a source of pride, and many believed Mexico was finally controlling its own national destiny.

Economic changes during Cárdenas’s presidency inspired further nationalist feelings. The constitution had given the government the right to nationalize,

or take control of, foreign-owned mining and petroleum industries. In practice, little had been done to challenge foreign ownership. In the 1920s, Mexico was the third largest oil producer in the world but foreign companies dominated the industry. In 1938, workers organized a number of strikes against British and U.S. oil companies. When these companies refused to increase worker compensation, Cárdenas seized the property and nationalized the industry, bringing it under state control. This move was wildly popular among the Mexican populace and even the church. Many Mexican citizens viewed the nationalizations as a declaration of Mexico’s economic independence and voluntarily contributed money to help pay compensation to foreign owners.

What was Cárdenas’s land reform program?

Cárdenas’s land reform program also earned him a great deal of popular support. In the 1920s, land reform had proceeded slowly. Government leaders believed that land reform should aim to increase productivity and modernize agriculture. They were reluctant to redistribute lands to peasants because they were afraid that breaking up the large *haciendas* would lead to food shortages. But under Cárdenas, land reform became an issue of justice. Many large farms were broken up and approximately fifty million acres of land were given to peasants, mostly to create new communal *ejidos*.



Mexican peasants in the 1920s.

Library of Congress. LC-DIG-ppmsca-12311.



Library of Congress. LC-USZ62-100630.

Mexico City in the 1930s.

“A new Mexico is being built and the redistribution of land is the foundation.... We are laying it with bleeding hands and in great stress, but we are laying it, and digging it so deep into the hearts of the nation that this work of the revolution will endure forever.”

—Ramón P. de Negri,
secretary of agriculture, 1924

Redistribution of land created violent struggles between landowners and agrarian activists. Nevertheless, during his term, Cárdenas oversaw the redistribution of nearly 12 percent of Mexico’s land. Although many peasants remained landless, Cárdenas’s land redistribution program ended more than four hundred years of concentrated landholding.

Economic Boom and Bust

Cárdenas believed that he was creating a foundation for continued economic and social reform. But when Cárdenas left office in 1940, many of his programs ended. Land reform in

particular was largely abandoned. Subsequent leaders focused instead on industrialization and economic growth.

How did the Second World War affect Mexico?

World War II initiated a long stretch of economic growth in Mexico. The United States and its allies needed food and raw materials, so demand for Mexico’s exports boomed. At the same time, the war effort in many countries limited their industrial production, and Mexico imported far less from abroad. Mexico’s domestic industries, producing many of the country’s former imports, flourished under the ISI strategy.

Economic growth continued after the war, as Mexico joined in a worldwide economic expansion. The government focused its economic strategy on stability and growth, and supported the growth of private businesses and large-scale farmers. From 1940 to 1980, Mexico’s economy grew at an average annual rate of over 6 percent. (By comparison, in the early part of the twenty-first century, the Mexican economy grew at an average rate of 2 to 4 percent per year.) The Mexican government continued to borrow internationally and spent money creating roads, dams, and irrigation projects. Encouraged by Mexico’s stability, foreign investment, mostly from the United States, poured into the country.

This economic boom matched major changes in Mexican society. From 1940 to 1980, Mexico’s population grew from twenty million to seventy million people. Urbanization transformed Mexico’s rural society, and by 1980, more than twice as many people lived in cities than in rural areas. Over this period,

Mexico City became one of the largest cities in the world.

Why do many view this period as the end of Mexico's revolutionary reforms?

Economic and social changes after World War II created a great deal of inequality in Mexican society. Economic growth did not translate into a higher standard of living for most of Mexico's population. The government limited its funding of *ejidos*, and many peasants again lost their land. Many left the countryside for the prosperity they believed they would find in the cities. But cities did not have enough jobs, and many people remained unemployed. Urban growth strained city services such as housing, water, electricity, and sanitation.

As much of the population grew poorer, many believed that the government had betrayed the Revolution's social reforms. After Cárdenas, the government largely abandoned the reforms of the Revolution. The middle class, beneficiaries of economic growth, grew larger and wealthier and became more conservative. Most wanted to preserve what they had rather than change the system to benefit the poor. The middle class was a powerful force in the PRI, which still retained control of the government. During this period, the Mexican government increasingly repressed peasant and worker discontent and jailed anyone engaged in activities considered threatening to society.

For most of the 1940s and 1950s, the middle class accepted this repression because the economy was strong. But in the 1960s, the economy slowed as foreign demand for agricultural goods declined. Urban, middle-class Mexicans became increasingly dissatisfied as the cities were strained by even more peasant migration. Many believed that government officials were corrupt, getting richer as most of the population grew poorer. Middle-class students and professionals, as well as the poor, began to protest the government more frequently. The government responded with increased repression. At the same time,

decline in the agricultural sector forced the government to import even more food for its growing population. To afford this, the government once again turned to foreign borrowing.

How did the economy change in the 1970s?

In the 1970s, Mexico's economic strains showed themselves even more clearly. Foreign demand for Mexico's exports decreased, and the government owed a huge foreign debt. In an attempt to reverse this trend, the government tried to limit its foreign imports. Then, in the late 1970s, Mexico's fortune temporarily changed. Mexicans discovered new reserves of oil and gas, and by 1981, Mexico was the fourth-largest producer of oil in the world. At the same time, international oil prices skyrocketed, and the country was suddenly flush with cash. The government began spending on social projects, increasing public employment, and creating social welfare programs. This economic boom boosted the public's confidence and renewed support for the PRI.

“For the first time in our history... we were being courted by the most important people in the world. We thought we were rich. We had oil.”

—Jesús Silva Herzog Flores,
minister of finance 1982-1986

But Mexico's economic troubles were far from over. Mexico's agricultural sector was still unable to feed the population, and the government continued to import large quantities of food. The government also paid money to producers (called paying subsidies) to keep food and fuel cheaper for Mexican consumers. Although the government earned huge amounts of money from the oil and gas industries, it was forced to borrow even more money to finance all of its expenses. From 1976 to 1982, Mexico's foreign debt nearly tripled, and Mexico became one of the most heavily indebted countries in the developing world.

The government assumed it would be able to pay back these loans as oil prices continued to rise. But in 1982, oil prices decreased

The Tlatelolco Massacre

The PRI's repression of opponents broke into the open most dramatically in 1968, when Mexico was preparing to host the Olympics. In July, a few months before the summer games were scheduled to begin, the riot police brutally repressed a student fight, mistaken as a protest. Government violence and the jailing of many student leaders sparked major protests, not only of students but of middle-class and poor workers across the city. The government, afraid of the effect of these protests on its international image, arrested hundreds and led raids against supposed dissidents.

“We have caused Mexico to appear in the eyes of the world as a country in which the most reprehensible events may take place; for the unfair and almost forgotten image of the Mexican as a violent, irascible gunman to be revived....”

—President Díaz Ordaz, State of the Union Address, September 1968

By October, only a few thousand continued to protest. They organized a demonstration in a plaza in Mexico City's Tlatelolco district on October 2. Many spectators, including children, joined the rally. After a few hours, the army and police arrived and surrounded the plaza. Although the government denied the reports of observers, many reported that state forces opened fire on the crowd and killed as many as four hundred people, arresting two thousand more.

Although the Olympic games proceeded conflict-free, the Mexican people were shocked at the government's violence. The massacre significantly weakened support for the PRI, beginning a decades-long process that would eventually challenge PRI control of the government. The protests also illuminated the growing discontent in Mexico's cities.

sharply, and the Mexican economy, losing its main source of revenue, crashed. At the same time, due to a worldwide economic recession, international demand for Mexican exports declined. Foreign banks could no longer afford to lend money to the Mexican government. In a matter of months, the Mexican government found itself facing bankruptcy. Many of Mexico's leaders believed that only drastic economic change would help Mexico recover from this crisis.

Reforming the Economy

When the economy crashed in 1982, the Mexican government faced serious financial problems. The country had a foreign debt of \$80 billion, and its primary sources of revenue—oil, mineral, and agricultural exports—were being sold on the international

market at drastically reduced prices. The government had no money and was not only unable to pay off its debt, but also could not continue many of its social welfare programs. Unemployment skyrocketed, and those fortunate enough to keep their jobs faced dramatically lowered wages.

The problems that arose from this economic crisis forced Mexico's leaders to reassess their economic policies. Since the 1920s, the government had been actively involved in Mexico's economy. After 1982, many Mexican officials believed that less government involvement in business, coupled with greater participation in international markets, was necessary to improve Mexico's economy. The economic changes that resulted would heighten social divisions and significantly erode public support for the PRI.

How was the international community involved in Mexico's economic changes?

To begin Mexico's economic recovery, the government needed to negotiate with foreign banks, mostly from the United States, about how Mexico would repay its international debt. The International Monetary Fund (IMF), a global financial institution made up of most of the countries of the world, gave the Mexican government a loan to repay its debt. In return, Mexico's leaders agreed to an economic reform program that would cut government spending on social projects, keep wages low, promote exports, and discourage imports.

Many Mexican officials believed that these reforms were the medicine that Mexico's economy sorely needed and they pursued the program with enthusiasm. Some people suffered under these policies, but the program improved the economy by limiting government spending while increasing government income. By the late 1980s the economic crisis had eased.



Another Believer (CC BY-SA 3.0).

A Telmex payphone in Puerto Vallarta. Telmex, Mexico's telephone company, was sold to private investors in 1990.

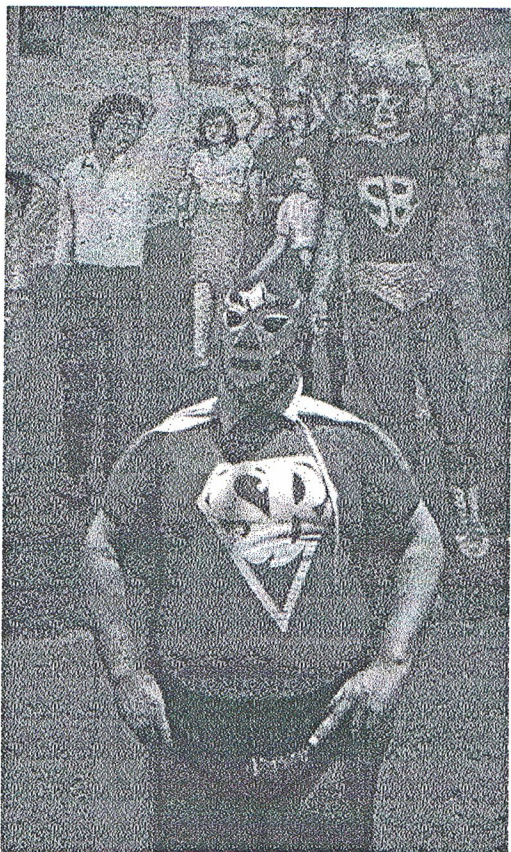
Mexico's leaders continued to transform the economy even after it recovered. Carlos Salinas, elected president in 1988, charted a new course that he believed would increase Mexico's foreign trade. The policy that he followed is known as "free trade" because it lowers barriers, such as taxes and government protections, so that foreign trade becomes cheaper. From 1985 to 1992, the average taxes on imported consumer goods fell from 60 percent to less than 20 percent. At the same time, Salinas sold off many prominent state-owned firms, including the country's telephone company, airlines, and a large steel mill. The number of companies under government control dropped from 1,555 in 1982 to 217 in 1992. This privatization of Mexican industry further shrunk the government's role in the economy.

What events in the 1980s undermined support for the PRI?

The economic reforms of the 1980s and 1990s critically weakened support for the PRI. By limiting the role of government in the economy, the PRI had created a government that had less influence in people's daily lives. Cuts in government spending meant that the PRI had to trim many popular social programs. At the same time, the privatization of Mexican industry meant that there were far fewer jobs to award to political supporters.

In addition to its unpopular economic reforms, the PRI made a number of political missteps in the 1980s. In 1985, a major earthquake struck Mexico City, killing more than twenty thousand people and leaving another two hundred thousand homeless. Rather than follow the army's standard emergency relief plan, the government relied on local workers to help victims. Initially refusing international assistance, the government provided almost no aid to most of Mexico City's population. When the army was finally deployed, it was sent to protect Mexico City's factories from looting rather than to rescue civilians.

In the absence of government relief, Mexico City's people joined together to help each other. Many began to question the legitimacy of a government that did not take care of its



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Super Barrio in front of a mural in his honor.

Super Barrio Saves the Day

Many popular heroes also emerged in the aftermath of Mexico City's 1985 earthquake. Superhero characters from the United States had long been popular in Mexico. When the government failed to provide relief for Mexico City's victims, a number of individuals decided to create real-life superheroes to provide assistance and encouragement to the people. Rejecting U.S. characters such as Batman or Superman, these masked crusaders imitated popular Mexican comic book heroes, such as Super Barrio (a *barrio* is a city neighborhood). Dressed in tights and masks, Super Barrio and his fellow superheroes went throughout the city, handing out supplies to earthquake victims. These local heroes became symbols of hope and of opposition to the inadequacies of the government. Super Barrio later became a symbol of the Assembly of Barrios, a community group formed after the earthquake, and now represents the struggles of the urban poor. In later years, other activist superheroes emerged, including Super Eco, a champion of environmental issues, and El Chupacabras Crusader, an advocate for Mexicans suffering from debt who wears a fanged mask and business suit.

people. Hundreds of grassroots and community organizations began to form in opposition to the PRI.

Pressure for democracy was high by the late 1980s. The Alliance for Change, later renamed the National Action Party (PAN), the Party of the Democratic Revolution (PRD), and other opposition parties became more active. In 1988, the presidential election was the closest race Mexico had ever had. When the PRI's Salinas was declared the winner, many believed that the PRI had rigged the election, purposely miscounting votes. Taking to the streets, Mexicans protested the results, criticizing the PRI for stealing the election. Although Salinas took over the presidency with the support of PAN, opposition to the PRI continued to grow.

Conclusion

You have just read about the economic, social, and political changes that took place in Mexico in the nineteenth and twentieth centuries. You have also seen how Mexico's leaders have struggled to balance economic growth with an improvement in the standard of living for much of Mexico's population.

In Part III, you will read about the changes that have taken place in Mexico since 1990. As you read, consider how many of the challenges facing Mexicans today—economic pressures, dissatisfaction with the government, struggles over land, and Mexico's relationship with the United States—have roots in the country's history.