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IT ISN'T THE PESO. IT'S THE PRESIDENCY.

MEXICO'S COMEBACK DEPENDS ON REFORMING
THE INBRED CORRUPTION OF POWER AT THE TOP

BY ANDREW A. REDING

THE DEFINING MOMENT OF THE PRESIDENCY OF CARLOS Salinas de Gortari occurred on the morning of Jan. 10, 1989, when Mexican soldiers arrested Joaquín Hernández Galicia, the formidable leader of the Oil Workers Union, and delivered him to a waiting air force plane for a flight to Mexico City and a cell in a maximum-security prison. To Mexicans and foreigners alike, the jailing of a powerful and crooked labor leader confirmed that the new President was fully in charge and validated his credentials as a reformer. Six years later, Salinas's successor, Ernesto Zedillo Ponce de León, has repeated the feat by arresting Salinas's older brother for masterminding the assassination of a prominent politician.

Like Salinas before him, Zedillo, is re-enacting a political drama as old as Mexico's Institutional Revolutionary Party, the P.R.I., a drama that shows how the party has remained in power for two-thirds of a century. Mexican presidents are constitutionally limited to a single six-year term, at the end of which they designate their successors. Ordinarily, that would implicate incumbents in the corruption and failed policies of their predecessors. But the P.R.I. has perfected a clever antidote. Each incoming president blames his predecessor for the country's ills and takes spectacular actions to demonstrate that he has cut the umbilical cord and that he will cleanse the country of corruption.

The pretense has succeeded spectacularly, including in Washington, where gullible officials have tended to take Mexican claims of reform at face value. With Salinas, who wowed Americans with fluent English, a Harvard Ph.D. and homage to free markets, that uncritical acceptance



Mexican "reform" isn't necessarily what it seems. Above, President Ernesto Zedillo Ponce de León with his predecessor, Carlos Salinas de Gortari.

crossed over into unabashed boosterism. He became the model third-world leader, the man the White House continued to support for Director General of the World Trade Organization even after his shortcomings were revealed.

Last month, Salinas was sent into de facto exile in the United States. In his spectacular fall from grace lies a cautionary tale. President Zedillo has launched what, on the surface at least, appear to be impressive reforms. Even so, foreigners — especially Washington — need to understand why they so misread Salinas. That may lead to a more balanced appraisal of Zedillo's leadership and avert further foreign policy blunders.

WASHINGTON COULD HAVE AVOIDED ITS PRESENT EMBARRASSMENT IF it had paid less attention to Salinas's words and more to his actions. For Salinas made a mockery of law even when arresting La Quina, as the labor leader was known, in the name of law. The soldiers who stormed La Quina's home did not present an arrest warrant. The President never asked Congress to suspend constitutional guarantees, as required if the army is to arrest a civilian. Worse yet, witnesses said troops planted crates of weapons on the premises.

If the means were questionable, so were the ends. Salinas never tried to cleanse the union of corruption and never lifted a finger against scores of other corrupt union leaders. Rather than democratize the union, which would almost certainly have placed it under the control of adversaries, Salinas imposed a new, scrupulously loyal boss in a rigged election.

As Mexican politicians and labor leaders were quick to understand, La Quina's unpardonable sin had been disloyalty, not corruption. During the 1988 presidential campaign, La Quina had quietly urged oil workers to vote for the opposition candidate, Cuauhtémoc Cárdenas. In a stroke of genius, President Salinas struck back with an audacious move that achieved two contradictory aims. He convinced foreigners he was serious about reform, even as he showed insiders that he would brook no departure from traditional political controls.

Sleight of hand permeated virtually all of Salinas's reforms. After Human Rights Watch and Amnesty International denounced the routine use of torture by Mexican police, for example, Salinas promulgated a judicial reform he said would end the abuses. Yet the new law authorized prosecutors — as well as judges — to receive confessions, further contributing to the incentive to torture "suspects" into signing confessions.

Salinas's Cabinet selection was another masterpiece of Machiavellian strategy. The President entrusted his economic portfolios, which would be the primary points of contact with foreign governments and investors, to foreign-educated technocrats, like Pedro Aspe at Finance and Jaime Serra Puche at Commerce. For political appointments, however, Salinas turned to seasoned party loyalists with a reputation for *mano dura* — an iron hand. As Interior Minister, the second-most-powerful post in the Government, he named Fernando Gutiérrez Barrios, who had helped coordinate the 1968 massacre of hundreds of student protesters. After Gutiérrez surprised everyone by turning into more of a negotiator than an enforcer, Salinas replaced him with Patrocinio González Garrido, the Governor who helped drive Chiapas into insurgency by filling the jails with indigenous leaders and sympathetic teachers and priests.

All of this is incomprehensible without understanding that for Salinas, as for most of his predecessors, reform was a means to a greater objective: reinforcing *presidencialismo*, the

largely informal but nearly absolute set of powers of the Mexican presidency. In their vanity, Salinas's predecessors — most notably Luis Echeverría and José López Portillo — saw their presidencies as personifications of national glory. But Salinas went further, treating the presidency merely as a stepping stone to a position of global leadership.

In the face of that ambition, no value was more important than loyalty; none more conditional than democracy. No one, not even a plurality of his fellow citizens, would stop his advance. When Cárdenas surged to an early lead in the 1988 presidential election, officials cut off public access to the vote-tabulating computers. Not until eight days later, after Cárdenas ballots were found discarded in dumpsters, burned in piles along roadsides and floating down rivers in soggy bales, did the P.R.I.-dominated electoral commission declare Salinas the victor.

In choosing his collaborators, Salinas did not shy from men involved in graft, bribery, torture, electoral fraud and drug trafficking, provided he could count on their unconditional support. For Attorney General he chose Enrique Alvarez del Castillo, a former Governor suspected of collaborating with the Guadalajara drug cartel. As Secretary of Tourism — and later Secretary of Agriculture — he named Carlos Hank González, a man already so notorious for corruption that he had been excluded from public office by the previous President.

The privatization of state-owned companies — supposedly Salinas's crowning achievement — degenerated into a piñata for the cronies of powerful officials, beginning with the friends of the President. The biggest winners emerged from Salinas's 1988 campaign finance committee. Pablo Brener acquired Mexicana Airlines; Enrique Molina secured key stakes in the National Bank of Mexico and the financially troubled Banpaís, and Carlos Slim, the committee chairman, gained a controlling stake in Telmex, the biggest prize of all. Under Salinas, the number of Mexican billionaires multiplied twelvefold, from 2 to 24, with Forbes having listed Slim as the sixth-richest man in the world.

Predictably, the concentration of capital in the hands of the well-connected did little to promote the competition and entrepreneurship essential to genuine economic development. Real wages stagnated throughout the Salinas presidency, keeping the purchasing power of most Mexicans low and impeding the development of internal markets. To compensate for the failure of his economic policies and to hold the loyalty of the middle class for the 1994 presidential election, Salinas turned to an overvalued peso, a ploy that ultimately plunged the country into its economic crisis.

The outcome was that Salinas presided over one of the most corrupt governments in the history of the P.R.I., allowing crooked politicians and their drug kingpin allies to establish unprecedented control over large segments of the Government and security forces. Even when Cabinet links to drug traffickers were publicly exposed, as in the case of Salinas's first Secretary of the Navy, the officials were never prosecuted, reinforcing what Human Rights Watch described as “a policy of impunity.”

This is the Mexico that Ernesto Zedillo inherited Dec. 1. Yet this time, there are important differences. However one interprets the arrest of Raúl Salinas — whether as the inevitable outcome of a criminal investigation or as a coldly calculated move to shore up public support — it is significant that Zedillo started his reforms before the collapse of the peso plunged his Administration into crisis.

In his first 100 days, Zedillo has shown a commitment to reform unthinkable under Salinas. Evidently unable to trust anyone in his own party, he appointed an opposition leader, Antonio Lozano, as Attorney General. He reopened the assassination inquiries, including the one that led to Raúl Salinas. No doubt anticipating interference from judges and police commanders on the payrolls of drug traffickers, he replaced the entire Supreme Court and restructured the judiciary and the federal police. And instead of persecuting Mexico's democratic left, Zedillo is cooperating with it in seeking reforms. No previous President has done so much so fast and without prodding by public and international opinion.

Yet President Zedillo has a long way to go to reach his vision of "Mexico as a nation of law." True, he has accepted his party's loss of the state of Jalisco to the center-right National Action Party. He has persuaded the P.R.I. Governor of Chiapas, whose election was tainted by fraud, to step down.

But will Zedillo, if a plurality of the citizens of Chiapas or Michoacán so desire, be prepared to cede control of those states to the center-left Party of the Democratic Revolution, institutionalizing democracy and helping defuse simmering regional revolts?

Combating corruption will pose an even greater challenge. Will he, like his predecessors, stop at mere symbolism — arresting the brother of a discredited President? Or will he take on the kingpins of the political mafia like the Hanks, the Alvarez del Castillos and their associates in the booming drug cartels? Though the arrest of Raúl Salinas is said to have broken a taboo against indicting top officials and their relatives, the most important taboo remains unbreached — that against indicting present or former Presidents or Cabinet members. Yet only by targeting corruption in the highest reaches of the Government can impunity be ended and the rule of law made a reality.

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