

# Mexico braces for Trump presidency

*Alfredo Corchado* / Thursday, January 19th, 2017

MEXICO CITY — As President-elect Donald Trump prepares to take office Friday, a recent newspaper headline here summed up the weariness among Mexicans and many Texas border residents: Peso stresses over Trump.

An anxious nation and border in near-panic mode await Trump, with many here pinning hopes on Texas and other states to stand up for their neighbor with a reminder: economic integration —largely through the North American Free Trade Agreement, or NAFTA — has been mutually beneficial.

No other state is bigger, more economically and culturally tied to Mexico than Texas, so much so that some half joke that messing with Mexico and its peso, which has fallen to its weakest level in two decades, is akin to messing with Texas. There's a Don't Mess with "Mexas," sign in Austin, one that Mexican Consul General Carlos Gonzalez Gutierrez says is key for Mexico's own survival.



President-elect of The United States Donald J. Trump and first Lady-elect Melania Trump arrive at Joint Base Andrews the day before his swearing in as 45th president of the United States, January 19, 2017.

Pool/Getty Images

"We expect Texas to step up to the plate and stand up for Mexico," said Gonzalez Gutierrez during a break from a recent meeting among foreign diplomats in Mexico City that turned into a strategy session on how to deal with challenges ahead under Trump. "Texas is

caught in the middle between rhetoric and reality. In the end, we expect Texas to look at its own bottom line and do what is good for the state. Texas is the big winner with NAFTA and will be the big winner with energy reform. The most natural thing to expect is that Texans will be the natural partners in protecting NAFTA and Mexico."

For more than 30 years, and at the behest of U.S. leaders, Mexico transformed its economy to one of the most open economies in the world. In fact, Mexico has largely built its economy around NAFTA, relying on the United States for more than one-third of its jobs, many of them poorly paid, but enough to help slow down the flow of illegal immigration to the United States to historic lows. Republican-led Texas has been the biggest beneficiary of that trade policy.

Nearly 5 million jobs in the United States depend on trade with Mexico. About half a million jobs in Texas depend on exports to Mexico. Texas exports close to \$100 billion in goods to Mexico, almost 40 percent of its total exports. Border communities from El Paso to Brownsville, seaports like Houston, Galveston, and cities along the Interstate 35 corridor have benefited, according to a report by the Dallas Federal Reserve Board.

"Our Texas economy clearly relies heavily on Mexico, and this relationship is only going to deepen as Mexico opens its oil and natural gas development to Texas companies," said Ricardo Ainslie, director of the Mexico Center at the University of Texas. "We need policies that understand the importance of this trade to our own economic well being. We also need a stable and healthy Mexico. While the United States does not control all of these variables, a Mexico caught in an economic tailspin could mean civil unrest."

Days ahead of Trump's Friday inauguration, President Enrique Peña Nieto made several key moves aimed at preparing Mexico for the uncertainty that lies ahead under Trump, who has promised to deport millions of Mexicans from U.S. soil, build a "great wall" between both countries and rip apart NAFTA.

Peña Nieto named as foreign minister his longtime confidant Luis Videgaray, who has ties to Trump's son-in-law Jared Kushner. He replaced Mexican Ambassador Carlos Manuel Sada Solana with Geronimo Gutierrez Fernandez, a former top undersecretary. Gutierrez is head of the North American Development Bank and lives in Texas. Sada, a veteran diplomat, will be the secretary for relations with North America.

The naming of Gutierrez received high praise from Texans, including Tony Garza, the former U.S. ambassador and Texas railroad commissioner.

"Geronimo, far better than those holed up in Washington, D.C., or Mexico City, understands what's going on in Mexico and the U.S. and what's at stake," said Garza, a lawyer in Mexico City who's known and worked with Gutierrez for more than a decade. "That he's respected for his insights and integrity on all sides of the aisle and in both countries makes him both extraordinary and an inspired selection."

Gonzalez himself is key in Mexico's strategy. He's credited with turning around the relationship between California and Mexico into a model one today, and has the task of ensuring Texas remains a key ally with Mexico.

Moving forward, Peña Nieto called on his diplomats to promote Mexico's interest "without diminishing our sovereignty and the dignity of Mexicans" and reiterated that Mexico will not pay for a wall.

## **Negotiating with confidence**

Videgaray said Mexico will "negotiate with great confidence in ourselves, without fear, knowing how important Mexico is for the United States in economic, social, and political terms ... There are voices that are already promoting a strategy of conflict, confrontations, and even insult. Others predict a shameful submission."

Mexico, he added, will instead opt for "intelligence and dignity, opening the doors to dialogue ... I want to make clear, and we would make clear in all of our dialogue ... those millions of Mexicans who have migrated to find work, they are not criminals, but they are productive people, who represent in the majority of their cases the best of Mexico."

Going after Mexico would also would hamper Trump's promise to make America "great again" by threatening thousands of jobs on both sides of the border, and forcing Mexicans to again head north in search of greater economic opportunity.

"A strong Mexico is a trustworthy partner to generate business for Texas," said Francisco de la Torre Galindo, Mexico's consul general in Dallas. "A strong Mexico generates enough jobs in its own territory to stop migration to the United States."

Businessmen like Alfredo Duarte, president and CEO of Dallas-based Taxco Produce Inc., warn that turning its back on Mexico will carry implications across all sectors. Taxco provides services to more than 1,000 local restaurants and stores in North Texas and employs more 95 people in the region.

"Mexico is very important to us in Texas," said Duarte, a native of Mexico. "We deal so much with nostalgia products, and we consume tons of Mexican food, and also remember that most of our produce in the winter time comes from Mexico. We have this great weather in Mexico so we continue to grow mostly everything, all the time, so Mexico is very important to all the food industry."

## **Mexico on edge**

These days, Mexico already feels on edge with daily protests over a 20 percent gasoline and basic food increase here in the capital and in some cities, including Ciudad Juarez and Tijuana, along the U.S. border. And a groundswell of fresh corruption scandals, recurring violence, an unpopular president a year away from elections and a slumping peso banged around with every

other rabble-rousing tweet from Trump has residents questioning what Trump may do in his first 100 days in office. Others are stewing in resentment.

"If his rhetoric is half his bite, we're screwed," said Agustin Morales Pereira, who sells electronic goods in Mexico City's historic center. "But that's our fault for putting our trust in the United States and forgetting history. Why were we so ignorant?"

On the Texas-Mexico border, residents on both sides expect big changes when Trump takes office. Some hope he will fulfill his promise of creating better jobs.

"On the U.S. side there are jobs, but it's limited to retail, restaurants, and they're low-paying jobs," said Auden Cabello, a Del Rio resident and a Trump supporter.

Others are concerned the border will bear the brunt of any policy changes designed to punish Mexico.

"I honestly feel President-elect Trump's views on the border are misguided. They're from someone who doesn't live on the border and doesn't know how interconnected both sides are here, the U.S. and the Mexican side," said Scott Cutler, 65, an El Paso resident.