

# Mexico—The Essentials



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## THE MIRACLE BOOM

In the postwar period, Mexico experienced an explosive population surge from twenty million inhabitants in 1940 to fifty-one million in 1970 and seventy-seven million in 1984. Squatter settlements grew as outer rings of the cities. Mexico City suddenly had a shadow city, Nezahualcóyotl, which emerged to the east in the State of Mexico in the dry lakebed and eventually become an independent municipality filled with the working poor. Between 1940 and 1982, in the years known as the Miracle, a middle class emerged of managers and professionals. Two-thirds of them were salaried employees. However, middle-class prosperity was not distributed evenly, with a heavy concentration in the center and north. In the states along the northern border, the middle class represented one in four

families, whereas in the south and west only one in ten families. Seventy-five percent lived in cities with a population of over 100,000. The new middle class represented the economic shift from property owners to individuals with skills based on education and occupation. The middle class's percentage of the national income rose at the expense of both the wealthy and the poor.

Miguel Alemán, the first postwar president, ushered in a new era of hasty urban construction and manufacturing that resulted in waste, reenforced crony capitalism, and made industrial progress into an issue of nationalism. *Hecho en México* (made in Mexico) too often meant poor quality and high prices. Patriotism brought high tariffs to protect companies from foreign competition. As Alemán focused government policies toward the growing middle class, Mexicans became familiar with US corporations such as Sears, Colgate, Firestone, Ford, Goodyear, and many others. Pepsico, the holding company for Pepsi soft drinks and Frito-Lay snacks in the United States entered Mexico in 1961 when it purchased controlling interest in Sabritas, the leading snack business. In 1990 Pepsi purchased majority interest in Gamesa, formerly Galletera Mexicana S.A. de C.V., the largest manufacturer of cookies. Sears provided beneficial programs as it recruited Mexicans to take over all managerial positions and assisted in improving the quality of Mexican-made goods, especially appliances.

Alemán's primary focus came with major construction projects in the capital. These included a new campus for the National Autonomous University (UNAM), single-family homes in new neighborhoods, and numerous condominiums for workers in high-rise buildings called *multifamiliares*, in locations like the barrio of Tlatelolco. Programs also included new government office buildings, paving highways, and expanding the road system.

The president sought to expand tourism. In addition to marketing the charms of indigenous and colonial Mexico, he pressed for entrepreneurs to build hotels and golf courses. These projects showed little consideration for landholders who had to be displaced or for damage to the environment. He succeeded in moving tourism forward and in the process created new jobs and an increasingly important national industry.

Alemán gave little attention to the countryside, except for an effort to stimulate commercial agriculture by following the model of the Tennessee Valley Authority (TVA) initiated by President Franklin D. Roosevelt. The Papaloapan project was designed to do the same in the south, but was less successful. This major undertaking represented the major construction projects that the president favored.