

6-17-1998

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Recommended Citation

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Money-Laundering Issue Overshadows Accords Reached at U.S.-Mexico Summit

by LADB Staff

Category/Department: Mexico

Published: 1998-06-17

At their annual bilateral meeting in Washington in early June, key members of the US and Mexican Cabinets agreed to expand economic and political relations. The accords laid the groundwork for the two countries to resolve disputes regarding immigration and border cooperation, access of Mexican trucks to the US, and food-safety standards. Those agreements, however, were overshadowed by the acrimonious exchange between the US and Mexico regarding the US government's secret crackdown on Mexican banks for allegedly laundering drug profits.

The US Operation Casablanca drew a strong protest from the Mexican government because the US investigations were conducted partly on Mexican territory and without consulting Mexican authorities. The operation resulted in the arrest of 26 Mexican bank employees (see SourceMex, 05/27/98). At the meetings in New York, Mexican Foreign Relations Secretary Rosario Green Macias reiterated the Mexican government's position that the US action violated Mexican sovereignty. "In the absence of communication, cooperation, confidence, and respect, our relationship will risk going off track," Green warned. "Only with dialogue can we avoid situations that make understanding difficult."

US Secretary of State Madeleine Albright pledged to improve US-Mexican cooperation, including installing a special telephone line connecting the US Department of State and Mexico's Secretaria de Relaciones Exteriores (SRE). However, Albright rejected Mexico's request that US agents who participated in Operation Casablanca be extradited to Mexico. Albright's statements coincided with an article in The New York Times, which reported a disagreement between the secretary of state and US Treasury Secretary Robert Rubin on whether to inform Mexican officials about Operation Casablanca. The article said Albright was willing to inform the Mexican Procuraduria General de la Republica and other authorities, but Rubin decided to maintain the secrecy of the operation.

Upon her return to Mexico City, Green acknowledged that the bilateral meetings expanded cooperation between the US and Mexico, but she reiterated the intention of President Ernesto Zedillo's administration to prosecute anyone who broke a Mexican law during Operation Casablanca.

Many bilateral accords deal with NAFTA-related matters

Aside from the agreement to improve communications following Casablanca, 14 working groups reached a series of accords, many of which were directly or indirectly related to sections of the North American Free Trade Agreement (NAFTA). One accord, signed by Agriculture Secretary Romarico Arroyo and his US counterpart Dan Glickman, called for the development of guidelines for food safety, particularly in light of the recent problem with tainted strawberries imported from Mexico. In April 1997, school children in Michigan became ill with Hepatitis A. The illness was traced to a shipment of strawberries imported from Baja California state (see SourceMex, 04/09/97).

Mexican growers said no evidence showed that the strawberries were infected in Baja California. However, in May of this year, some producers agreed to voluntarily follow food-safety guidelines to ensure that their fruit exports meet US standards (see SourceMex, 05/06/98). As part of the agricultural accord, the US and Mexico will also expand cooperation on forestry and conservation of natural resources. The Zedillo administration also gained a US pledge to recognize the states of Chihuahua, Baja California, and Sonora as free of certain diseases. This will allow agricultural producers in those states to begin exporting wheat, apples, oranges, peaches, and tangerines to the US market.

Another NAFTA-related agreement, signed by Mexican Communications and Transportation Secretary Carlos Ruiz Sacristan and US Transportation Secretary Rodney Slater, provides for the enforcement of safety guidelines, including comprehensive drug and alcohol testing for all truck drivers. The Mexican government is still fighting US restrictions on full access to US territory by Mexican truck drivers. Under the original NAFTA timeline, US and Mexican truckers would have been allowed to carry cargo within the states on the US-Mexican border between 1996 and 1999, with complete cross-border access granted in the year 2000. Citing concerns about the safety of Mexican trucks and the lack of insurance coverage, the US government implemented a 14-month delay in opening US roads to Mexican truckers beyond a 20-mile border trade zone. The US has argued that incompatible standards regarding insurance requirements and the size and weight of Mexican trucks create a danger for US motorists (see SourceMex, 06/04/97).

While those disagreements remain unresolved, the agreement on drug and alcohol testing is considered a first step in harmonizing US-Mexican standards for truck drivers. Similarly, the two countries agreed to coordinate monitoring of the US-Mexico border to improve safety for undocumented immigrants crossing into the US. As a result of a US crackdown on illegal immigration at traditional crossings, many undocumented workers are now attempting to cross in more dangerous zones.

Details of the agreement were announced by US Immigration and Naturalization Service Commissioner Doris Meissner and Mexican Ambassador Jesus Reyes Heróles at a press conference in mid-June. Under the new cooperation effort, the US and Mexico will warn migrants of crossing dangers, improve search-and-rescue capabilities, and notify relatives in the event of deaths. The initiative will emphasize four crossing areas considered particularly dangerous: East San Diego and Imperial counties in California; Kenedy County in southern Texas; and the desert around Yuma, Arizona. US & Mexican legislators to address similar issues

As a follow-up to the Cabinet-level US-Mexico meetings, legislators from the two countries are scheduled to meet June 19-21 in Morelia, Michoacan state. The 19-member Mexican delegation will include Chamber of Deputies leader Porfirio Muñoz Ledo of the center-left Partido de la Revolución Democrática (PRD); Deputy Alfredo Phillips Olmedo of the governing Partido Revolucionario Institucional (PRI), chair of the foreign relations committee; and Deputy Julio Faesler of the conservative Partido Acción Nacional (PAN), chair of the international relations committee. Other legislators participating in the meeting will be PRD Sen. Jorge Calderón Salazar, PAN Sen. Luis Bravo Mena, and PRI Sens. Beatriz Paredes Rangel and Marta Lara Alatorre.

A report published June 16 in the daily business newspaper El Economista said the Mexican delegation is expected to demand renegotiation of some parts of NAFTA to ensure a more equitable access for Mexican agricultural products to the US market. In addition to NAFTA concerns and the Casablanca case, Mexican legislators are also expected to raise concerns about the proposal to establish a nuclear waste-storage site at Sierra Blanca, Texas, only 22 km from the US-Mexico border. Mexican legislators want to invoke NAFTA environmental clauses to stop the opening of the controversial site (see SourceMex, 01/28/98 and 05/13/98).

Some Mexican legislators are also expected to bring up concerns about the recent plunge in global oil prices that has resulted in "artificially low" prices for Mexican exports of crude oil to the US. US legislators are expected to raise their own concerns about drug trafficking and immigration and the escalation of tensions in Chiapas. The 23-member US delegation, which will be led by Rep. Jim Kolbe (R-AZ), will also include Sen. Pete Domenici (R-NM), Sen. Christopher Dodd (D-CT), Rep. Silvestre Reyes (D-TX), Sen. Kay Bailey Hutchison (R-TX), and Rep. Lee Hamilton (D-IN). (Sources: Reuters, 06/09/98; The Washington Post, United Press International, 06/10/98; Spanish news service EFE, 06/14/98; El Financiero International, 06/15/98; Associated Press, 06/16/98; The News, 06/11/98, 06/12/98, 06/17/98; El Economista, 06/11/98, 06/12/98, 06/16/98, 06/17/98; Excelsior, 06/13/98, 06/15/98, 06/17/98; El Universal, 06/15-17/98)

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