Distant Thunder

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Theodore Roosevelt was the first president of the United States to visit a foreign country whilst in office and that country was the Republic of Panama. It was November 1906, and during the president's stay it rained continuously – even when he rode through the city of Panama with President Amador in an open carriage. John Ruskin, the English art critic and essayist, said that there is really no such thing as bad weather, only different kinds of good weather. Perhaps, but not as far as the political climate is concerned and when President Bush travelled in March to both Central and South America he might have heard the sound of distant political thunder.

At the end of last year Daniel Ortega, an ally of Venezuela's anti-American president, Hugo Chávez, won the presidential elections in Nicaragua and became president for the second time. He and the Sandinist rebels overthrew Anastasio Somoza and his two sons in 1979 and in 1984, as the leader of the nine ruling comandantes, he was elected the country's president. This meant that closer ties with Cuba and the Soviet Union were forged and at the time US President Ronald Reagan described Nicaragua as being part of a confederation of terrorist states that was a collection of looney tunes and squalid criminals. Financed by the US, an opposing force comprising members of the despised former Nicaraguan National Guard, known as the contras, was established. Bloodshed ensued until a peace deal was ironed out but when free elections were held in 1990, Daniel Ortega lost to the opposition.

Javier Santiso, deputy director of the development centre of the Organisation for Economic Co-operation and Development, has written that since 1983, "No Latin American president was forcibly removed from office by a military insurrection". But a lot of Latin Americans remember the US support for those military dictatorships in the 1970s and 1980s. In a recent BBC World Service poll 64% of Argentines, 57% of Brazilians, 53% of Mexicans and 51% of Chileans said that they had a "mainly negative" view of American influence in the region. A poll conducted in Colombia – probably America's closest ally in the region – by Latino Barómetro last December found that only 39% of those polled had a positive opinion of George Bush. CIFRA, a consultancy in Montevideo, found the American president's approval rating in Uruguay was just 12%. And in Guatemala – whose government joined the so-called "coalition of the willing" in the 2003 Iraq war – perhaps only 30% of the population see the president in a positive light. No wonder that the American president's March visit to Brazil, Uruguay, Colombia, Guatemala and Mexico was met by public protests in each country.

Mexico, which has the region's second biggest financial market, was the last stop on President Bush's week-long trip. After the initial seizure of half of Mexico's territory in the Mexican-American war, which ended in 1847, the US confined its overt interference in the region mainly to other parts of Central America and the Caribbean; consequently, relations between the two countries have generally been less fragile. But Mexico's lack of support for the invasion of Iraq in the United Nation's Security Council in 2003 and the problems surrounding immigration issues have certainly had a negative effect on the relationship. 80% of Mexicans disapprove of the way George Bush has dealt with Iraq according to the BBC poll and plans by the US to build a fence along its southern border to keep out illegal immigrants has angered Mexicans.

Mexico has made giant strides since the Tequila Crisis (1994-1995) when more than half of the nation's banking assets were wiped out. Today, banks play a vital role in the economy, with over 80% of Mexico's banking assets in foreign hands. How things have changed.

In the early 1970s discoveries of vast oil reserves were made in south-eastern Mexico. It was manna from heaven for the country's president, José López Portillo y Pacheco, an intellectual but unconventional bureaucrat whose personality was tailor-made for a Graham Greene novel. Until then Mexico had a struggling closed economy in the grips of recession. Backed by oil, however, the president embarked on a six-year plan that he said would transform the country. Borrowing from foreign banks would finance the plan and he was convinced that there was an inexhaustible oil supply for which prices would continue to rise (of course).

Between 1977 and 1981 oil exports increased 14-fold and Mexico prospered, growing by an average of 6.5% per year. It became the fourth largest producer in the world. But when oil prices plunged in 1981 the price adjustments needed were handled badly and the impetuous president sacked the chief of Mexico's state oil company. The foreign debt of USD80 billion rose and the peso nosedived; capital took flight, for which the bankers were blamed, and the following year the president nationalised the banks. President López Portillo, who had pledged to defend the peso "like a dog", was forced to devalue it. Afterwards, people would bark at him in the street.

All the good intentions, as well as Mexico's natural wealth, had fallen victim to corruption, autocracy and flagrant populism. Today, while many say that the American president should focus on mending fences in the region rather than building them, there are some regional leaders who should perhaps be reflecting on this cautionary Mexican tale from the 1980s.

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