Between Diplomatic Crisis and Economic Interaction: An Information Battle, Public Diplomacy and Investments in US-Mexico Relations, 1876–1880

Paolo Riguzzi
Colegio de México

In the second half of the 1870s, relations between the United States and Mexico faced a difficult situation. On the one hand, an acute diplomatic and security crisis occurred, involving various dimensions of Mexican sovereignty. On the other hand, foundations for modern economic exchange between the two countries were laid, based on the developing railroad connection. This article analyses this situation focusing on the relationship between diplomatic, economic and information interactions, seeking to understand how the conflict was settled. The analysis of the crisis management demonstrates that the solution was contingent upon the use of unconventional diplomatic channels, which had important implications for the course of the bilateral relationships that followed.

Keywords: Neighborliness, trans-border relations, economics, John W. Foster, Matías Romero, Porfirio Díaz, public diplomacy, railroads, Rutherford B. Hayes, sovereignty.

En la segunda mitad de la década de 1870, las relaciones entre Estados Unidos y México enfrentaron una situación difícil. Por un lado, ocurrió una grave crisis diplomática y de seguridad, que involucró varias dimensiones de la soberanía mexicana. Por otro, se sentaron las bases para el intercambio económico moderno entre los dos países, con base en la conexión ferroviaria en desarrollo. Este artículo analiza dicha situación, enfocándose en la relación entre interacciones diplomáticas, económicas y de información, y buscando entender cómo se resolvió el conflicto. El análisis de la gestión de la crisis demuestra que la solución dependió del uso de canales diplomáticos no convencionales, lo cual tuvo importantes implicaciones para la evolución posterior de las relaciones bilaterales.

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Between 1876 and 1880, political relations between the United States and Mexico faced a difficult and conflictive crossroads. An acute diplomatic and security crisis occurred in which the possibility of US military intervention in Mexico was contemplated. The crisis was first ignited by the lack of recognition given to the Porfirio Díaz administration by the US government. This crisis was then further heightened by President Rutherford B. Hayes' executive order authorizing the US army to cross the Mexico-US border in pursuit of hostile elements—an order which stayed in force until 1880. These extraordinary measures were perceived in Mexico as the resurgence of an annexation threat, or at least were aimed at establishing a US protectorate over Mexican territory, causing great alarm in political circles.

Significantly, however, during the same period, foundations for a modern economic relationship between the two countries were laid, based on the trans-border railroad link, which made a new scale of exchange possible. Capital investments, population movements and technology transfers formed a network of financial and human flows, along with ongoing negotiations between the two governments, from which a new framework of bilateral agreements and understanding emerged. This situation laid the groundwork for a new pattern of neighborliness between the two countries.

The relationship between these two elements—the political-diplomatic and the economic—has not received enough attention. Questions arise around this situation, for example—How does one explain a context combining a simultaneous conflict and perception of threat with processes of commercial integration between Mexico and the United States? Whose interests were at stake? And how was the conflict settled? In his classic work *The United States Versus Porfirio Díaz*, Daniel Cosío Villegas pointed to a triumph for Mexican diplomacy, thanks to the dilatory tactics of the Mexican government and the skillful use of international law. However, he saw the legacy of the crisis as one conducive to mistrust, by Mexico, of US designs.¹ According to David Pletcher’s more articulated version, the crisis settlement occurred through the joint action of the opponents of President Hayes and US economic expansionists, who favored removing obstacles to exchanges between the United States

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and Mexico. John Hart’s version downplays the entire episode regarding it as a confined skirmish that was ironed out by the supposed personal interest of Hayes, along with that of his clique of financiers, in the Mexican railroad projects. Neither the cleverness of Mexican diplomacy nor the structural thrust of US economic interests seem sufficient to account for the resolution of the diplomatic conflict. What seems to be lacking is an explanation of the management of the situation, which included a novel slant on public diplomacy and transnational political communication.

This brief period of bilateral relations is of great interest, despite its short duration. In addition to showing the limitations of a merely structural framework for explaining the interactions between two nation states in a context of asymmetry, three further reasons make this case significant:

Firstly, the diplomatic crisis was unique, because it involved all four concepts of sovereignty (as typified by Stephen Krasner): legal international sovereignty, (mutual recognition between States); Westphalian sovereignty (the exclusion of external powers); internal sovereignty (the organization of authority and level of effective control exercised by the State); and “interdependent sovereignty” (the State’s ability to control cross-border movements).

Secondly, a sphere of binational public communication emerged from the stagnation of conventional diplomacy, which included information, propaganda and public diplomacy, understood as the issuance of messages by state officials of some country addressed to the public opinion of another. In particular, a broad-based information battle about Mexico was waged in the United States. This was carried out with the participation of governmental and private actors (both Mexican and US), and, for the first time, combined the diplomatic and media arenas in a massive form;

Thirdly, political pressures on Mexico were weakened in several areas, due to the coincidence of the diplomatic crisis and processes of

5. Public diplomacy has various but convergent definitions, centered on governments process of communicating with foreign audiences, to make their cultures, institutions and policies better understood. See Nancy Snow and Philip Taylor, eds., Routledge Handbook of Public Diplomacy (New York: Routledge, 2009).
economic integration based on the railways. Therefore, the Mexican
government was not forced to maintain an open doors policy
towards foreign investment, but, instead, found autonomous
mechanisms to manage (at least partially) US interests, and to main-
tain certain instruments of control over the dynamics of the
economic relationship.

Moreover, this episode represented the main issue of foreign
affairs of the Hayes administration, while in Mexico it acquired
a deeper meaning, directly associated to the survival of the Díaz
government. Overall, this situation contributed to the shaping of
a new pattern of interaction between the two countries.6

All this justifies a reexamination of this crucial conjuncture,
 focusing on the issues set out above. The discussion that follows is
structured in five sections. The first section traces the context of
bilateral relations during the Reconstruction in the United States and
the Restored Republic in Mexico; Section two concentrates on the
emergence of a diplomatic crisis that was linked to a change in the
presidency of both countries; a crisis that was caused by the lack of
recognition of the Díaz presidency by the US, and the US policy of
extraterritorial persecution in Mexico; The third section discusses
Mexican actions in response to the crisis, which involved lobbying
and propaganda, as well as the process that led to the diplomatic
recognition; Section four addresses the development of a growing
interest within the United States to invest capital in Mexico, and how
this trend combined with the conditions that the US State
Department required from the Mexican government; and the fifth
section analyzes the information battle about Mexico and its relations
with the United States, in terms of a public diplomacy effort that
contributed significantly to redefining the framework of interactions
between Mexico and the United States.

1. Bilateral Relations during the Reconstruction in the
United States and the Restored Republic in Mexico

During the 1860s, two wars involving Mexico and the United States
had enabled a context of republican understanding between the two

6. Ari Hoogenboom, The Presidency of Rutherford B. Hayes (Lawrence: The
diplomatic relations with Great Britain and France were interrupted after the fall of
Maximilian’s Second Empire in 1867.
However, once these dangerous situations came to an end, the previous fissures and the underlying suspicions between the two nations re-emerged, eroding spaces of convergence. Problems began to fill the bilateral agenda.

The most controversial issue was the management of the borderlands, raising questions about neighborliness. The violence that existed in the borderlands region—manifested through cattle rustling, banditry, and Indian incursions—generated protests on both sides of the border and challenged both governments. Additionally, the issue of the Zona Libre (Free Zone)—a regime of exemption from import duties on the northeast Mexican frontier—constituted a point of friction, because Washington considered this to be a hostile measure which encouraged smuggling activities into its territory. Also, stagnation in the economic relationship between Mexico and the US after 1867 produced discontent in the United States, where a large discrepancy was perceived between Mexican discourses and policies.

However, in the sphere of official relations, the presence of Ulysses Grant as the US president (1869–1877) served to keep border tensions under control and to contain the growing aggressive tones against Mexico, emanating from Southern politicians. Grant’s messages to Congress, which involved a conciliatory tone, usually stated the objective difficulties in the managing of the border region and pointed to the shared responsibility of the two countries—much to the irritation of the New York Herald and the press in Texas.

This unstable situation led to official inquiries into the matter by both governments. In 1872, the US Congress instituted a commission to report on the Texas border conditions. Their conclusions attributed to Mexico exclusive responsibility for the troubles there. In response, the Mexican government organized two commissions

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7. These were the war against the Maximilian Empire and the French army in Mexico and the Civil War in the US.
(Comisiones Pesquisidoras) which surveyed the region and compiled a very extensive set of data. Their conclusions placed the origins of the problems on both sides, refuting the conclusions of the US commission.\textsuperscript{11} The government of President Sebastián Lerdo de Tejada (1872–1876) sought to disseminate its version “for the information of the American People” and funded a New York edition of the Mexican border report in English.\textsuperscript{12} The posture of the Grant government, and the Mexican actions that followed, combined to shape the US public opinion about the interpretation that the border problems were mutual and not one-sided. This was lamented by the Texan political leader in the House, Gustave Schleicher.\textsuperscript{13}

In the United States, after the reincorporation of the ex-Confederate States into the Congress, a Republican defeat in the 1874 elections occurred, resulting in the first divided government since the Civil War. The Republicans retained control of the Senate, but a solid Democratic majority was formed in the House of Representatives, of which the Southerners represented the main bloc, composed mostly of former high Confederate officers, civil and military.\textsuperscript{14} This situation offered a context in which the claims of the Texas delegation could enforce a hardline policy against Mexico. In 1876, this situation led to the formation of a Congressional special committee to review the border situation. The committee, headed by Schleicher, stated that the problems were set in motion by Mexican aggressions against Texas, which the government of Mexico could not, or would not, restrain. It also presented a bill to deploy federal troops in the area and authorize them to enter Mexican soil to persecute the aggressors.\textsuperscript{15} In reality, behind the generic term “border,” the focal point for Schleicher and his associates was the area corresponding to the upper part of the state of Tamaulipas, owing to the complicity of the local authorities in the raids against Texas. Texans

\begin{enumerate}
  \item \textit{Reports of the Committee of Investigation sent in 1873 by the Mexican Government to the Frontier of Texas} (New York: Baker & Godwin, 1873), iii–iv.
  \item Schleicher lamented that “public opinion in the United States have been much inclined to believe it.” Gustave Schleicher, \textit{Protection of Texas Frontier. Speech of Hon. Gustave Schleicher in the House of Representatives, June 30, 1876} (Washington, 1876), 8.
  \item Carl V. Harris, “Right Fork or Left Fork? The Section-Party Alignments of the Southern Democrats in Congress, 1873–1897,” \textit{Journal of Southern History}, v. XLII, n. 4, (1976). In the Forty-Fourth Congress, the Democrats had a 60\% majority in the House of Representatives.
  \item \textit{Congressional Record. Forty Fourth Congress, First Session}, v. IV, Part 3, 2187–2189. The Texas delegation was made up entirely of Democrats.
\end{enumerate}
held the local *cacique* (Juan Nepomuceno Cortina, who was an emblematic figure of the local conflict) responsible for these aggressions.16

This Texan offensive in Congress generated growing concerns in Mexico about the US attitude toward Mexico. Matías Romero—a former Mexican minister in Washington in the 1860s and a previous Secretary of the Finance—intervened in the matter. His extensive reputation in the United States ensured a privileged audience for his message, which was disseminated in a binational circuit.17 Romero wrote a long letter to the Mexico City newspaper *Revista Universal*, in which he appreciated the friendly policy of the Grant administration and separated most Congressmen from the maneuvers of the Texas Representatives. He also stated that neither the government nor the majority of the US public—"the thinking people"—entertained annexationist ideas.18 At the same time, he accused the US press of propagating "the most lamentable mistakes and inaccuracies" with regard to Mexico. Romero’s communication was first translated into English in the columns of *Two Republics*, a US newspaper in Mexico City. US Minister to Mexico, John W. Foster, then transmitted the text to the US Department of State, and finally it appeared in the volume *Foreign Relations of the United States*, the annual compilation of diplomatic correspondence.19

When the anti-Mexican campaign led by the Southerners was embodied in a bill to empower US troops to cross the Mexican boundary, a bipartisan group strongly opposed this and defeated the resolution. The protagonists of the parliamentary battle showed how the Texan proposal and its implications would endanger the friendly relationship established with Mexico, and would violate its sovereignty.20


19. Ibid.

2. Political Change and Diplomatic Crisis

At the end of 1876 the simultaneity of presidential change in both countries ushered in a period of political uncertainty and upset the framework of US-Mexico relations. In Mexico, Díaz, who had risen up in arms against the re-election of Lerdo de Tejada, assumed the presidency provisionally in November 1876, after having defeated Lerdo de Tejada. In the United States the electoral contest between the Republican Hayes and the Democrat Samuel J. Tilden (who had obtained the majority of the popular vote) gave rise to a serious political controversy. The dispute lasted for months, threatening an institutional crisis, until an agreement between Southern Democrats and Republicans (known as the Compromise of 1877) created a solution. Congress legitimized Hayes’s victory at the beginning of the year and also sanctioned the abandonment of the policy of Reconstruction in the South.

The connection between the political changes in the two countries was clearly defined. The “Mexicanization” of US politics, with regard to the settlement of conflict through the use of force, became a keyword in the political debate in the United States. There was a risk that the US electoral controversy could give way to violence, as the New York influential weekly The Nation and many other commentators envisioned. The risk of violence (“Mexicanization”) was used in this way in Congress to alert people to the fragility of the institutional balance. Then the incoming administration refused to recognize the Díaz government, a decision that departed from the US tradition regarding relations with de facto governments—a point that Hayes himself admitted in his first message to Congress. The interruption of official relations between Mexico and the United States was accompanied by the adoption of a US presidential order (made to the Secretary of War of June 1, 1877), which authorized US troops to cross the boundary line in the pursuit of “hostiles,” thus putting into effect the Texan proposal of the previous year. As seems evident,

21. In May of 1877, the Mexican Congress recognized Díaz as its constitutional president after the completion of elections.
22. Hoogenboom, The Presidency, 27–49. Tilden had obtained 51% of the popular vote.
24. Ibid.
26. The order is sometimes referred to as the “Ord order” because of General Edward C.O. Ord, the commander of US troops in Texas from 1875 to 1880. Even
the presidential order and policy of Hayes (and that of Secretary of State William Evarts) did far more than simply apply “public pressure on his Mexican counterpart,” as Hart had argued.27 Rather, it affected the four dimensions of sovereignty related to Mexico: 1. US policy denied the international legal sovereignty of its neighbor through non-recognition; 2. It disdained its Westphalian sovereignty by extending the jurisdiction of US forces outside its national confines; 3. It was alleged that the Mexican State, by not controlling the territories near the border, was incapable of exercising its authority, amounting to the loss of its internal sovereignty; and 4. That it was not even concerned with preventing armed incursions into the United States, failing in its ability to control transboundary movements, that is, interdependent sovereignty.

The US Presidential Order represented a serious obstacle for the consolidation of the new government in Mexico, and fed into the mounting conflict between the two countries. Díaz’ cabinet considered the US actions to be a menace to national security and protested the “flagrant violation of the sovereignty of the Republic.”28 He gave instructions to Mexican federal forces to repel any US incursions while cooperating at the same time in the maintenance of peace in the border areas.29

During 1877 and 1878, Texas attitudes and voices pressing towards war grew. Republican figures (such as Senator James Blaine) denounced these as plans for conquest.30 President Hayes, after defining the Mexican question in his diary as “perplexing,” described the situation before Congress “as exposing the two countries to initiations of popular feeling and mischances of action which are naturally unfavorable to complete amity.”31

The question remains: What drove Hayes to implement such a radical policy? There is no doubt that the political uncertainty in

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27. Hart, Empire, 110.
28. See the Vallarta memorandum of August 18, 1877, in the official compilation Correspondencia diplomática relativa a las invasiones de territorio mexicano por fuerzas de los Estados Unidos (Mexico: Ignacio Cumplido, 1878), 7–8.
29. Ibid.
the two countries facilitated the formation of a coalition favorable to tightening pressure on Mexico. The measures that US Congress had previously rejected became possible, not because of events originating in the relationship with Mexico such as the intensification of border disturbances, but because of the restructuring of political coalitions within the United States, coupled with the struggle for power in Mexico.

Literature discussing this situation has noted that what lay behind the conduct of the Hayes government was the accommodation of interests of the Southern Democrats in exchange for their legitimizing his election. At the same time, the Texans ingratiated themselves with the Army’s General Staff by their opposition to the reduction in federal military spending, an action which was being pushed in northern political circles. The State Department formed its position primarily under the influence of the evaluations, initially negative, about the Porfirista uprising circulated by Minister Foster; and to a lesser extent, under the influence of the lobbying of figures like the ex-diplomat Edgar L. Plumb. Plumb and other entrepreneurs were involved in the railway contracts granted by former Mexican President Lerdo de Tejada, which Díaz had proposed to annul. The opportunity for an external discharge of domestic social tensions must also have inspired Hayes’s Mexican policy: in 1877 a nationwide rail workers protest (known as the Great Railroad Strike) had paralyzed and shocked the United States.

The convergence of these different elements had, as a focal point, the exchange value of the act of recognition of the new Mexican administration by the United States, and the “moral influence” it provided. This constituted a lever over Mexico to obtain concessions on several points and to have Mexico “hang by the eyelids,” as Hayes described the situation.

However, the tensions continued even after the recognition of Díaz in April of 1878. Hayes refused to cancel his extraterritorial instruction, as Mexico had demanded, until early 1880. The enforcement of the threat to enter Mexican territory continued to be on the agenda of the US Congress. This was partially due to the attacks

33. Pletcher, The Diplomacy, 84–85.
34. Undersecretary Frederick Seward instructed Foster to lecture the Mexicans about the moral influence of US recognition, which “aids to strengthen the power and lengthen the tenure of the incumbent.” Seward to Foster, May 16, 1877, National Archives, Diplomatic Instructions of the Department of State 1801–1906. Mexico (hereinafter, Instructions), roll 115, n. 390. Williams, Hayes. The Diary, 92.
35. Ibid.
fueled by the Texan groups and particularly due to the control of the House Foreign Affairs Committee (led by Schleicher). In the eyes of Mexican diplomats, Schleicher’s personal influence “has been so harmful to Mexico for such a long time.”

3. The Mexican Campaign: Lobbying, Propaganda and Public Diplomacy

In the absence of full diplomatic relations, an imbalance was created in the formal structure of interactions between the two governments. In Mexico the status of Foster, as US Minister, was not revoked, and in fact he undertook negotiations with Ignacio Vallarta, the first Secretary of Foreign Relations under Díaz. At the same time, Mexico did not have official representation in Washington since the representative under Lerdo de Tejada—Ignacio Mariscal—was no longer in office, and Díaz’ envoys were not being received. In this context, the US State Department attempted to exploit its negotiating advantage to the maximum extent, and instructed Foster to submit an ultimatum to the Mexican government as a condition of recognition. The US demands covered practically the entire range of relations: 1. The cessation of disturbances on the Tamaulipas-Texas border and the abrogation of the Zona Libre; 2. The relocation of the Indian populations in Coahuila and Chihuahua and the redrawing of the international line on the Rio Grande; 3. The abolition of provisions that hindered the property rights of US citizens in the Mexican border states, as well as their exemption from forced loans; and 4. The settlement of claims for damages caused in previous uprisings and compensation for the confiscation of ships. As expected, the Mexican authorities, pressured by the domestic public opinion, rejected this platform, and negotiations quickly stalled.

During 1877, the Díaz government made a commitment to increase surveillance in the border area, deploying more troops there and instructing its commanders to engage in local diplomacy with their US counterparts. But, in view of the impossibility of negotiating

37. Foster to Evarts, September 4, 1877, National Archives, Despatches from the US Ministers to Mexico, 1823–1906 (hereinafter, Despatches), roll 57, n. 507.
38. Foster to Evarts, July 15, 1877, Despatches, roll 59, n. 740.
under the State Department’s draconian terms, one Mexican strategy was to work against the Hayes policy from within the United States. To this end, a lobbying and public relations campaign was launched, highlighting the wide economic opportunities that Mexico supposedly offered to US investors and the convenience of improving bilateral relations. The architect and principal executor of this strategy was Manuel de Zamacona, the Díaz confidential envoy, who was familiar with US politics because of his long experience in Washington, D.C. as a member of the Mixed Claims Commission created in 1868. With the aim of resuming diplomatic relations with the United States, the task that the Secretary of Foreign Relations gave Zamacona included “rectifying public opinion in that country... [so] that the American people know that the [Mexican] Republic... will not accept any humiliating condition,” because the intervention of Washington represented an act “offensive to its sovereignty and independence.”

Zamacona carried out a broad set of meetings and interviews in the principal cities in the east of the United States, gaining good press coverage and coordinating the activities of writers and journalists. Alliances were also made with influential members of Congress hostile to the Hayes administration, such as the Democrat Samuel S. Cox and the Republican Roscoe Conkling. In addition, arrangements were even made with New York newspapers—such as the Sun, and even the Herald—that were traditionally unfriendly toward Mexico.

As part of the strategy, authors with some literary reputation in the United States, such as C. Edwards Lester and Alex D. Anderson, were hired to write books and texts aimed at presenting an optimistic view of Mexican conditions. Meanwhile, William Pritchard, a British resident in Mexico, was given the task of disseminating writings in the press against the ostracism of Mexico by the Hayes administration.

the same time, Díaz removed Cortina from Tamaulipas and imprisoned him at Mexico City.

40. Zamacona had headed the Ministry of Foreign Relations in 1861. Prior to the diplomatic assignment in the United States, he was a newspaper director and a Congressman.


All this meant an articulated and prolonged external interference in US debates about Mexico, with the intention of promoting the appeal of Mexican resources. However, this did not imply either the formation of a centralized organization, or a cohesive propaganda campaign, but was rather characterized by divergences, fissures, errors and incidents. For example, Lester and Pritchard refused to collaborate with Zamacona, with whom they exchanged accusations. Pritchard lost the papers with the official instructions about the propaganda efforts in the US media and the record of payments made, after which some New York newspapers got a hold of these and published them, denouncing the Mexican intrusion and tainting the information campaign. The Mexican press, for its part, criticized the book published by Lester as a work full of errors and falsehoods. At the same time, Zamacona, who did not get along with the Secretary of the Mexican Legation, took issue with Ignacio Vallarta, and dissatisfied with the lack of information about the negotiations carried out by Vallarta with Foster, he resigned.44

In April 1878, the Díaz government obtained diplomatic recognition by the US government, without any conditions attached. The Mexican campaign had a favorable impact on a sector of the US public opinion and on various political circles. Moreover, the denial of recognition by the Hayes administration had become untenable given Díaz’ progressive political consolidation, and his recognition by other nations, such as Germany, Italy, Spain, and all countries of Latin America. After that, Hayes’ attention to the Mexican issue diminished, and the US State Department was given exclusive management of the diplomatic relationship with Mexico.45

Nevertheless, the resumption of Mexico-US relations failed to clear the diplomatic crisis. The Mexican Senate, at the behest of the government, almost immediately acknowledged the situation, authorizing the armed forces of both countries to cross the international line at certain points in order to pursue outlaws.46 But the dynamic of cooperation, far from being mutually self-reinforcing, was blocked by the action of the US House of Representatives Foreign Affairs

Committee. Under the influence of Schleicher, the Committee kept fueling aggressive demands, such as: the enforcement of the extra-territorial order; the abolition of the Zona Libre in Mexico; compensation for damages reported by US citizens, as well as their exemption from forced loans; and even a modification of Mexico’s extradition law.\(^{47}\) As expected, these demands again generated a hardening of the Mexican stance and the stagnation of negotiations, which were also fragmented by a succession of three different Secretaries of Foreign Relations during 1878.

In the context of the evident failure of conventional diplomacy, various actors in both countries argued for bypassing it by seeking to influence public opinion in the other country. In Mexico, the *Monitor Republicano* (the main liberal newspaper) justified the information intervention in the US as follows:

> A government has the right . . . to use the foreign press to further the legitimate interests of their respective nations. Mexico, slandered in the United States by design of the annexationists, needed publicity to restore the truth of the facts.\(^{48}\)

For his part, Zamacona noted that “the skill in isolated negotiations or the fortune in defending the Mexican nationality were of no avail . . . if Mexico continues being the target of slander and of contempt in this country” and submitted a detailed plan of campaign in the media.\(^{49}\) Díaz, in turn, exhorted Zamacona to publish articles in the mainstream US press, because that “will wipe out the allegations . . . that . . . often take shape by not contradicting them with thoughtful data.”\(^{50}\)

At the same time, Minister Foster also considered that the field of public opinion had become strategic in the development of the controversy. He warned about the need to deploy a better communication strategy since a significant portion of US public opinion seemed to consider Mexico’s reasons more valid than those of their own government.\(^{51}\) In fact, these parallel expressions coalesced into the intense media dispute over Mexico that unfolded during 1878 and 1879, which shifted processes of bilateral relations from the


\(^{48}\) *Monitor Republicano*, October 23, 1878.

\(^{49}\) Zamacona to Díaz, June 24, 1878, in *Archivo*, t. XXIX, 217; Díaz to Zamacona, August 26, 1879, ibid., t. XXX, 88.

\(^{50}\) Ibid.

\(^{51}\) Foster to Evarts (confidential), July 15, 1878, Despatches, roll 59, n. 740.
official and conventional channels to the public diplomacy and public relations sphere.

4. Economic Interactions and Political Conditioning

Concurrent with the diplomatic disagreement, two powerful economic endeavors in the US were profoundly reshaping the political economy of bilateral relations: one was infrastructural and the other financial. The infrastructural activity concerned railroads. After the recovery from the severe economic depression of 1873, the rate of construction of railroads had again increased. In the period between 1877 and 1879, on average more than 3,300 miles of tracks were constructed per year, which compared to 2,200 in the previous triennium. These were concentrated in the southwest. By the end of the decade, the rails of several US railway companies approached or even touched different border points, enabling the possibility of trans-border development. At the end of 1877, Zamacona reported that the railroads “are advancing to our border with the prospect of extension into Mexican territory.” The situation spurred competition between two big railroad companies—Atchison, Topeka and Santa Fe, Southern Pacific—to control the most convenient routes to Mexico.

Turning to the second endeavor—the financial—, the adoption of the gold standard and the reintroduction of notes convertibility into gold was due to occur in January of 1879. These were accompanied by the cessation of the “gold drain,” caused by the deficit of the US current account during the previous years. As a whole, it represented a guarantee of price stability and commercial expansion, which boosted investors’ confidence and allowed a more solid basis for the incipient export of US capital.

The US economic presence abroad was still very weak, which cohered with the country’s status of net debtor. In fact, the only direct rail investment was that of the Panama Railroad, along with portfolio investments in some Canadian lines. But, in the political economy of the US railroads, the spillover into Mexico was only partially a foreign investment, for it also represented an extension of domestic activities. The expansion of the railways and mining in Northern Mexico

52. Zamacona to Vallarta, December 23, 1877, in La labor, 251.
was the logical sequel of expansion in the US southwest.\textsuperscript{55} The movement of capital was the trigger for this new dynamic, not foreign trade. During the 1870s the Mexican market absorbed only a tiny fraction of US domestic exports (less than 1\%).

In this framework, the US State Department saw an easy opportunity to pressure the Mexican government in order to set the rules for the new dynamic, through the establishment of political requisites for capital investment. The idea was that the channels of economic relations could not be opened as long as unsatisfactory institutional conditions persisted in Mexico. This meant implementing a political conditioning of capital flows, according to which the State Department would become an arbitrator between US investors and the Mexican government, dictating the requirements for Mexico to receive US capital. Foster and Evarts dealt with it explicitly in their correspondence, stating that it was necessary to make it understood that, prior to undertaking large-scale commercial relations, Mexico had to pledge to the following: comply with its international debt obligations; demonstrate full respect for property rights and individual guarantees; and sign a protective agreement for the operations of US railroads companies.\textsuperscript{56}

Mexican officials considered US demands unacceptable and arbitrary, especially coming from a country where the separation between government and private business was a form of civic religion. Furthermore, the historical experience of US-Mexican negotiations (at least since the McLane-Ocampo Treaty) had created resistance and opposition in Mexico to the linkage between trade and strategic issues.\textsuperscript{57} Even the \textit{New York Herald} criticized this way of intertwining political and commercial relations. They noted that, to make development of Mexico dependent on the diplomatic agreement was not wise, for this was equivalent to “compelling a starving man to take an oath to support the Constitution before he got anything to eat.”\textsuperscript{58} Hunger for capital would rather play the foremost role.

\textsuperscript{55} Mira Wilkins, \textit{The Emergence of Multinational Enterprise: American Business Abroad from the Colonial Era to 1914} (Cambridge: Harvard University Press, 1970), 114. In 1878 the small Guatemala Central Railroad was incorporated in California.

\textsuperscript{56} Foster to Evarts, confidential, October 15, 1878, \textit{Despatches}, roll 61; Evarts to Foster, February 24, 1879 and Evarts to Foster, April 16, 1879, \textit{Instructions}, roll 115, no. 590 and no. 621.

\textsuperscript{57} Paolo Riguzzi, \textit{Recíprocidad imposible. La política del comercio entre México y Estados Unidos, 1857–1938} (México: Colegio Mexiquense-Instituto Mora, 2003), 83–85, 100.

\textsuperscript{58} \textit{New York Herald}, February 1, 1879, 6.
In Mexico, prior to 1880, the railway issue was dominated by political and military concerns, which emphasized the dangers of the rail connection with the northern neighbor in relation to national sovereignty. As Secretary Vallarta recognized (confidentially), the Mexican response had been to enervate the action of US companies by causing “difficulties that make it impossible to carry out their ventures.”59 As the discussion below describes, this deadlock was only broken through a series of political and institutional displacements that altered the original positions of both governments.

5. The Information Battle

By 1878, the binational information battle acquired greater breadth and extended to the media in both countries. Two opposing views of Mexico’s propensity to foster economic relations with the United States were disseminated. The protagonists were diplomatic and political actors who generated an information game, supported by their governments. They include Foster, Romero (newly at the head of the Finance Ministry) and Zamacona.

A series of communication exchanges fueled the controversy, that developed through crucial shifts between the official and private informative arenas, and even between languages. At the same time, the Mexican campaign amplified its message through the policy of staging US visits to Mexico. The first visit involved a business delegation and the second that of General Ulysses Grant.

The starting point of the information game was Zamacona’s campaign in the northeastern US during the first half of 1878. His goal was to display the potential for bilateral economic relations and the Mexican commitment to their development. Zamacona also promoted the visit of a delegation of US businesspeople and journalists to Mexico.

Foster, who had already denounced this campaign as illegitimate propaganda, responded with a somber report about the economic, legal and political conditions of Mexico, addressed to the Manufacturers Association of the Northwest.60 In particular, Foster challenged the information given by Zamacona, treating it as a disguise that was distant from the reality. He instead characterized

59. Vallarta to Ramón Corona, April 22, 1878, in La labor, 265.
60. The Association had invited Foster to offer his views on the bilateral economic relations. In October 1878 the diplomat produced a report of forty-three printed pages: Trade with Mexico. Correspondence Between the Manufacturers Association of the Northwest, Chicago, and Hon. John W. Foster (Chicago: Unknown editor, 1878).
the situation as one of Mexico’s strong barriers and hostility towards US interests, leading to a deep stagnation of the commercial relations. The following paragraph reveals the general antagonistic sense of Foster’s message:

While Señor Zamacona has been more and more impressed in the United States with the possibility of enlarged commerce, I regret to say that I, on the contrary, have been constantly learning of obstacles and encountering hazards thereto . . . When called upon by my countrymen, before embarking on a great enterprise, to give them the benefits of my information, in regard to that enterprise . . . it is my duty to speak frankly and not to conceal that which may be unpleasant to some . . . During his visit to Chicago, Sr. Zamacona spoke of flattering expectations of enlarged trade and prosperous commerce, while I must necessarily write, in part, of difficulties, embarrassments and dangers.61

Foster added that this state of affairs was destined to last unless the Mexican government removed the main obstacles through three actions that would constitute the precondition of trade relations:

1. Make its legislation more flexible and reestablish external credit so that it would be possible to push the construction of railroads;
2. Liberalize tariffs and dismantle the internal customs, known as alcabalas;
3. Preserve political stability and protect the life and property of foreign subjects.62

Foster, in addition to disseminating his report in the US press, sent it to the US Department of State, where the decision was taken to make it official, by including it in the annual volume on foreign relations, submitted to Congress in December 1878.63 The shift of the text from the field of a private communication to a fully political one caused great annoyance in the Díaz cabinet, who saw it as part of an aggressive and underhanded maneuver to put pressure on Mexico.64 The core issue was that Foster’s public diplomacy was meant to bring US private financial flows to Mexico under the political control of the State Department.

The idea of offering an official response was adopted quickly in Mexico. Minister Zamacona sent Foster’s text to his government with the indication “there is a lot to respond to.”65 Upon receiving news

61. Foster, Trade, 6.
62. Foster, Trade, 43.
63. Foster to Evarts, October 9, 1878, Despatches, roll 61, n. 805.
64. Foster’s text appeared in FRUS, 1878, 636–654. Additionally, it was reproduced in the Chicago Tribune and other dailies.
65. Zamacona to Díaz, November 1, 1878, in Archivo, t. XXIX, 296.
that an editorial response was actually being prepared, Zamacona told Díaz that “documents of that kind will have a very salutary effect on public and parliamentary opinion here,” adding that the US minister was leading a “defamation crusade” aimed at preventing Mexico’s access to the press.\(^6^6\) In addition to refuting Foster’s assertions through a long interview in the *Chicago Tribune*, Zamacona inspired a resolution in the House, which criticized Foster’s report for containing “biased and prejudiced statements” and announced the departure of a delegation to Mexico to gather accurate information on how to broaden exchanges.\(^6^7\)

However, the effects of Foster’s report affected the US delegation plans, causing uncertainty and defections, which reduced the number of travelers by almost half. Even so, in January of 1879, a group of eighty people stayed for almost a month in Mexico, hosted by the Mexican Government, with favorable repercussions in the United States.\(^6^8\) Within the same period the death of Schleicher occurred, which weakened the Texan influence in Washington.

In the meantime, Romero wrote a long report on Mexican conditions and relations with the United States, which was intended to refute the version that Foster had propagated. In January 1879, Romero published the text titled *Exposición de la Secretaría de Hacienda (…) sobre la condición actual de México y el aumento del comercio con Estados Unidos*. It was first published in installments by the Mexican press and then issued in book form.\(^6^9\) At the beginning of 1880 it appeared in English, published in New York.\(^7^0\) The objective of the *Exposición* was made clear in the subtitle: “Rectifying the Report of the Hon. John W. Foster.”\(^7^1\) Its official

\(^{66}\) Zamacona to Díaz, November 30, 1878 in *Archivo*, t. XXIX, 313; Zamacona to Díaz, December 14, 1878, in *Archivo*, t. XXX, 7.

\(^{67}\) *Chicago Tribune*, November 25, 1878; the interview was published in Mexico by the *Monitor Republicano*, January 10–11, 1879. *New York Herald*, December 14, 1878. *Congressional Record*, 45\(^{th}\) Congress, 3d, v. VIII, 185–186.


\(^{69}\) *Exposición de la Secretaría de Hacienda de los Estados Unidos Mexicanos de 15 de enero de 1879 sobre la condición actual de México y el aumento del comercio con Estados Unidos* (Mexico: Imprenta del Gobierno, 1879). The *Diario Oficial* and the *Monitor Republicano* published the *Exposición* between January and April, 1879.

\(^{70}\) Report of the Secretary of Finance of the United States of Mexico of the 15\(^{th}\) of January, 1879, on the Actual Condition of Mexico and the Increase of Commerce with the United States (New York: N. Ponce de León, 1880). Néstor Ponce de León was a Cuban independentist refugee whose printing house was important for the Spanish American circles in New York.

\(^{71}\) Ibid.
character was evident in the prologue, where the Secretary of Finance informed the Foreign Relations Department that the document had been prepared by presidential instruction. Revealingly, in April 1879 the publication was mentioned in the address of president Díaz to Congress. Díaz described it as the rectification of the errors spread by Foster, and noted that the purpose was to “present to the civilized world the true situation of Mexico.”72 The Mexican reaction caused alarm in US diplomatic circles, and Foster soon pointed out to the State Department that the publication was to be taken seriously, because it resulted from a political decision at the highest level.73

When Romero’s Exposición began to appear in the Mexican press, its imminent translation into English was also announced, and in fact, the newspaper Siglo Diez y Nueve started publishing the translated text. The aim was to influence US public opinion, with the goal of enlightening the “truly sovereign people,” waking them “from the errors under which they have lived respecting us [sic],” leading to a more friendly and profound relationship.74 As a more immediate aim, the publication of the report in English was related to the presence of the US business delegation in Mexico City.75 The editorial operation was coordinated by the Mexican government. Despite this, the newspaper stopped publishing the translation after having released a little over 10% of the entire document.76

After the appearance of the Exposición, and particularly due to the translation into English, Foster tried to continue the information battle. At first, his note to the State Department about the huge obstacles to railroad development in Mexico was printed among the documents of the Senate and was published by the New York Railroad Gazette.77 Foster described the Romero study as a “partial and imperfect statement of the present condition, designed for circulation in the United States.”78 He then wrote a long reply, which addressed both Secretary of State Evarts and Mexican Secretary of Foreign Relations Miguel Ruelas. In the document, Foster protested

74. Siglo Diez y Nueve, February 3, 1879. Original text in English.
75. In its final statement, the majority of the delegation made several arguments similar to those in Romero’s Exposición. Díaz de Ovando, Crónica, 371.
76. The translation appeared in the newspaper Siglo Diez y Nueve, between February 8 and March 15, 1879. The text was later incorporated into the New York edition.
against Romero’s conduct, asserting that: he had made several mistakes; had used unfair and illegitimate arguments—such as extrapolating the opinions of the US consuls—; and had distorted the meaning of his communication to the tradesmen of Chicago.79

Foster’s purpose was to confront Romero in the Mexican public arena and, in this sense, he requested the Secretary of Foreign Relations to publish his reply in the official newspaper *Diario Oficial.*80

Both the document and the requirement to make it public were seen as unacceptable acts and caused a very negative reaction in Mexico. Secretary Ruelas described Foster’s writing as “full of the most insolent malevolence and so discourteous in his expressions that at several points it becomes insulting.”81 No mediation was possible, so the response was blunt: the US diplomat was informed that the Mexican government had no intention of publishing his reply. In this fashion, the public controversy was interrupted, probably because its furtherance was less an instruction from the Secretary of State than a personal initiative of Foster. Secretary Evarts, in fact, only acknowledged receipt of the Foster’s reply with a ritual promise of paying it due attention.82

**Romero’s Intervention**

Romero’s writing (in Spanish as well as in English) justified the intervention of the Mexican government, in order “to vindicate the country,” particularly against three issues concerning Foster’s report:

Firstly, the report contained “conceptions and deductions which are entirely without foundation.”83 Its publication as part of the documents of the US government granted it an official character;

Secondly, the effect of the report was to discourage commercial relations between the two neighbor countries, even though it was Mexico’s legitimate interest to expand such trade;

Thirdly, the report presented the world with the image of a country “almost outside of [sic] the pale of civilization” so that the

79. Foster to Evarts, April 28, 1879, *Despatches*, roll 63, n. 938.
81. Ruelas to Zamacona, reserved, April 5, 1879, Archive of the Embassy of Mexico in the United States (hereinafter AEMEU), leg. 83, in Archive of the Secretary of Foreign Relations, Mexico City.
82. Evarts to Foster, June 13, 1879, *Instructions*, roll 115, n. 641. After that communication, no further references are found in the instructions of the Department of State.
Mexican government had the duty of “clearing away the dark coloring under which the Report in question presents it.” In this sense, Romero did not miss the opportunity both to criticize the aggressive conduct of the Hayes administration and also to highlight the positions of those congressmen favorable to cooperation with Mexico. Romero’s report comprised a thematic structure that dealt with communications, trade and tariffs, political stability and guarantees of life and property. Romero responded to Foster with a long text of more than three hundred pages (the length aroused the criticism of Mexican newspapers). Throughout the text, all Foster’s arguments were systematically refuted or weakened by the repeated assertion that they were based on incomplete information. The examination of the issues was carried out in such detail that the elements presented by Foster as evidence of Mexican policies or attitudes seemed to vanish.

After the polemical beginning, the Exposición carried out a survey of the principal themes of bilateral economic interaction using an analytical and moderate tone. In relation to transportation, Romero pointed out that, on the one hand, the Mexican government had subsidized the US mail-steamship lines in the face of Washington’s lack of interest; and on the other, there was no substantial impediment to the operation of railroad companies (which the majority of the Mexicans indeed desired), since they constituted a strategic means for the development of the country. However, Romero rejected the celebration of any international treaty for guaranteeing the railroad construction in Mexico, on the basis that it was an injurious proposition to Mexican sovereignty.

In the area of tariff legislation, the Exposición stated that, although Mexico’s legislation was cumbersome, it was not as oppressive when compared with the United States. The predominant purpose was not the protection of private interests, but ensuring revenues for the treasury.

Finally, Romero focused on the relationship between political stability and economic growth, arguing three general points: 1. That the frequent political upheavals did not emanate from an

84. Report, 2. “Taking into consideration that the mentioned Report is an official document of the Government of the United States, which must be supposed to be greatly interested in the development of its own commerce with the Mexican nation, and disposed, therefore, to favor everything which tends to produce that result, and that the said Report is destined to circulate all over the civilized world, it is the duty of the Government of Mexico to vindicate the country, clearing away the dark coloring under which the Report in question presents it.”

85. Report, 23–24, 147–150.

86. La Libertad, March 30, 1879.
intrinsic tendency of the Mexican people toward anarchy, nor from their politicians to seize power by the means of force (as was believed outside), but had precise institutional causes; 2. That the revolutions in Mexico had been a necessary condition to achieve independence, the Reform and the restauration of the Republic, removing serious obstacles to material progress; and 3. That, although they had contributed to delaying economic expansion, the revolutions were not the cause of the limited trade of Mexico nor of the scant investment of foreign capital, which was rather explained by mistaken external perceptions related to Mexican insecurity.

The text closed with an examination of the mistreatments of US citizens reported by Foster, which included murder, imprisonment and confiscations. From a quantitative point of view, Romero tried to show that the number of abuses against Mexicans in the United States (almost all in Texas) was actually greater, so that Foster’s complaints did not prove the lack of security in the country.

As noted above, Romero’s study was also published in English. That the publication of the Report was intended for a transnational readership was evident from the inception. In spite of Romero’s resignation as the Secretary of Finance in April 1879, the Díaz government funded the translation and carried out the publishing of the book in New York. The purpose was to bring the controversy with Foster (and indirectly with Hayes’ policy) before the US public at a time when the order to cross the Mexican border was still in force. The decision to publish the report in English was driven by a Mexican perception that a coordinated maneuver against Mexico was being deployed, and that Foster was playing a key role in it. In mid-1879, Díaz identified Foster as the primary target of the Mexican campaign in the United States, even though Foster was acting on instructions from higher up in the administration. According to Díaz, “our work should be aimed at discrediting that nation’s representative.”

Díaz intended to make it understood that the attitude of Foster represented a great obstacle “for bringing together the two countries by friendly relations and commercial exchange.”

The impact of Romero’s Report had a very unequal reception. The book was distributed through the Mexican legation in Washington and the Mexican consulate in New York. With few
exceptions, no comments or reviews about the work are recorded in the US press, since it was a document authored by a foreign government. However, it came to represent a repertoire of information about Mexico and its commercial connection with the US market for businesspeople, who in the early 1880s carried out a cycle of important investments.

The Visit of General Ulysses Grant

The political success of Romero’s report occurred thanks to its connection to Ulysses Grant’s visit to Mexico in February to March of 1880; a visit which represented the follow-up to the world tour that the general had carried out during the two previous years. Notwithstanding the smaller scale, Grant performed another significant episode in his “post-presidential travel diplomacy.” Romero hosted the visit, having been commissioned to receive the illustrious guest and his party and accompany them for a month. The Díaz government used the presence of the former president to celebrate Mexican-US friendship in a prominent way. A dense program of banquets, ceremonies and social events intentionally lent a festive character to the visit, which therefore provided propaganda value in the Mexican press. It has been pointed out that, in contrast to coverage in Mexico, the coverage of the trip in the US media was marginalized by the electoral excitement and had only a modest impact that failed to convey the meaning of the visit. However, in newspapers in New York and Washington more than forty references to the presence of Grant in Mexico were published between February 21 and March 19 1880, a third of which were located on front pages. In similar fashion, Harper’s Weekly published notes and engravings of the visit in four different editions. The main message that emanated from the press was explicit: in Mexico, former president Grant was a vehicle of republican friendship and understanding, in

90. One exception was Henry Brooks, “Our Relations with Mexico,” The Californian, v. 1, 1880, 221–22. Brooks widely reviewed the controversy Foster - Romero, with sympathy for the Mexican version.


92. Accompanying Grant were his wife Julia and son, General Philip Sheridan with his wife, and two correspondents: Byron Andrews, of Chicago Inter Ocean, and Frank H. Taylor, of Harper’s Weekly.


94. Jayes reached this conclusion based on the coverage of the New York Times and The Nation.

95. Harper’s Weekly covered Grant’s visit on March 27; April 3, 17 and 24, 1880.
contrast to the president in charge (Hayes), whose politics represented a threat.

Grant’s presence in Mexico constituted a very favorable context in which to promote the Mexican railway development project and place it in view of the US public. The transfer of capital and technology to Mexico and the advantages of intensifying the bilateral exchange were themes developed emphatically and repeatedly, with information emanating from Romero’s text.96

The most obvious vindication of Romero’s arguments took the form of three actions: Firstly, the revocation of Hayes’ order to cross the border into Mexico; Secondly, the reassignment of Foster to a different diplomatic seat (Russia); and Thirdly, the incorporation of the powerful Mexican Central Railway Company by investors linked to Atchison Topeka Santa Fe (who sought to build a trunk line from Mexico City to El Paso, after creating the local Sonora Railway, from Nogales to the port of Guaymas).97 All this was perceived as a profound change in the US policy towards Mexico and was published as news in the US press during Grant’s Mexican stay.

In order for the railway projects to be carried out, however, relevant institutional adjustments were required. The most significant among them was the inclusion of contractual rules in any Mexican franchise for railway construction and operation, rules inspired by what was known as the Calvo clause (the offshoot of doctrine by Argentinean jurist Carlos Calvo). The clause was meant to deny legal extraterritoriality to foreign enterprises, forcing them to submit to the Mexican judicial system and to renounce any right to invoke diplomatic protection.98 Therefore, the Porfirista authorities were able to override the resistance of financial groups and US diplomacy. In 1881, the US State Department, under James Blaine, questioned this restriction in relation to Mexican railroad contracts as “springing from a narrow and suspicious jealousy of foreign capital.”99 He requested that it be repealed, because it amounted to the abandonment of the duty to protect US citizens abroad. However, the issue did not even enter the diplomatic agenda. US Minister Philip Morgan replied that it would have been a useless source of friction,

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given that Mexico would totally reject the proposal. Foster, from his new diplomatic post in Moscow, regretted that US capitalists had neglected the guarantees on their railroad ventures southward, which was due to the investing mania resulting from “a plethora of money” and the “exaggerated notions prevalent as to the riches of Mexico.”

Therefore, Mexican railroad development was legally and institutionally autonomous, despite being the result of US territorial and financial spillover. It was supportive of Mexican goals regarding the stabilizing and integration of national territory as a site for the opening of market activities. In this sense, the process shared the basic features of the railroad nationalism in the Western World, neatly described by Charles Maier.

At the beginning of the twentieth century, Justo Sierra, the prominent Mexican intellectual, referred to this railway issue as the “formidable Yankee locomotive” to which “we were liable to be hooked (…) and carried off into the future.” He stressed that the measures taken at that time had cushioned the impact of US railroads on Mexico’s political autonomy and allowed Mexico to maintain control of the process “to make the journey under the auspices and through the action of the Mexican Government.”

**Conclusion**

The diplomatic and security crisis that occurred between Mexico and the US in the second half of the 1870s reflected a significant disparity between US foreign policy and economic interactions. This led to a prolonged stalemate in diplomatic negotiations. In this context, two opposing processes were activated that sought to reduce the disparity. On the one hand, a coalition of US actors—the State Department, Texan congressmen, and a sector of the press—sought to use the bilateral tension as a lever to obtain certain conditions
from Mexico. In particular, the diplomacy of Evarts and Foster attempted to connect the economic sphere with bilateral power relations, turning the State Department into a regulator of the ties between US investors and Mexico. Paradoxically, instead of demanding that Mexico be open to US investment, this coalition threatened to close the outflow of capital unless Mexico did not meet certain terms. This amounted to the establishment of a type of financial protectorate.

On the other hand, this article has discussed the role of Mexico’s first systematic deployment of public diplomacy, strategic communication and transnational public relations. These actions were launched by the Díaz government to highlight the perspectives of Mexican businesses and to mobilize US public opinion against the policies of Hayes. These processes gave birth to a public diplomacy battle about Mexico’s relations with the United States, which centered on the writings of Minister Foster and Matías Romero, whose conflicting messages were disseminated through journalistic and political discourse. The Mexican side was relatively successful in neutralizing Foster’s arguments and decoupling the development of economic relations from the US political tutelage. The different editions of Romero’s report and the staging of Grant’s visit to Mexico were part of a Mexican campaign that found allies and sympathetic voices in the United States.

The information battle helped to remove the US demands that Mexico considered to represent security risks and/or infringements on Mexican sovereignty. This paved the way for the intensification of economic relations without Mexico needing to enter into a diplomatic pact with the United States. Therefore, some final questions remain to be answered: Was the outcome explained by a trade-off between dimensions of Mexican sovereignty? Were legal and Westphalian sovereignty preserved, while the interdependent one was eroded by the increasing cross-border economic interactions activated by the railroads? The evidence presented in this analysis does not support this conclusion. The solution of the diplomatic crisis can be attributed to the action of forces from both countries that pushed for the strengthening of US-Mexico economic connections as autonomous national units. At the same time, public diplomacy was important in defeating the forces that sought to subject US-Mexican interactions to the conditions set by the Department of State.