The presidency of Porfirio Diaz is often remembered as a period of social degradation and oppression of freedoms in Mexico. His extensive thirty-five year virtual dictatorship brought about a great deal of hardship for the lower classes and an inequitable system of wealth distribution. This image of Porfirio Diaz as a ruthless despot has become an almost impenetrable one in the post-revolutionary Mexican tradition. However, what is often overlooked or unaddressed are the immense economic and social benefits that were still brought about under his rule. Through massive infrastructural improvement programs, superb financial management, and an unrelenting desire to see the implementation of law and order, Porfirio Diaz brought much prosperity and stability to Mexico when it needed it most. Stability, an expression rarely uttered in discussions of Mexican history, was implemented at all costs under Diaz—no small feat considering the near century of political and judicial disorder that preceded his rule. This essay in no way intends to justify the oppressive policies of Diaz, nor excuse the suffering of the lower classes he brought about. Rather, it intends to provide a more balanced view of his rule; bringing to light the more beneficial economic and social policies he implemented that would bring Mexico into the modern, twentieth century world.

From the Mexican colonial period to independence and beyond, the policies and decisions of Mexican leaders have been constantly surrounded by controversy. The lengthy presidency of Porfirio Díaz was indeed no exception. His semi-continuous thirty-five year term as president quite literally transformed Mexico into a modern, industrialized state. While the rule of Diaz has been both remembered and criticized for its suppression of liberties and uneven distribution of wealth, the benefits of his rule with respect to peace, stability, prosperity, and modernization are often unfairly overlooked. Like many prominent Mexicans, Diaz’s life and career was one of much action and glory—the life of a stereotypical Mexican caudillo. Born into a poor, peasant mestizo family in Oaxaca in 1830, Porfirio Diaz rose quickly through the ranks of the military as a young man and greatly distinguished himself in the War of Reform, emerging as a hero of Mexico and one of the most resolute supporters of liberalism [1, a]. The Porfiriato, the age to which he would lend his name, began in 1876 when Diaz took control of Mexico City by force of arms and would continue until 1911 when he was forced into permanent exile by the new revolutionary government. During the course of his rule, internal peace and stability came to Mexico, although sometimes at the expense of individual liberty. As a result, the post-revolutionary tradition has very much characterized Diaz as a “black” or villainous figure in Mexican history alongside such men as Cortes, Santa Anna, and Maximilian [2]. However, while his rule is unfairly remembered almost solely as a time of oppression and injustice, the presidency of Porfirio Diaz brought numerous economic and social benefits to Mexico, lifting it out of over a century of constant civil war, anarchy and chaos, and into the modern, industrial world.

**Mexico Before Diaz**

In order to fully appreciate the improvements Diaz brought to Mexican society, one must first understand the state of Mexico as a nation in the century preceding his rule. The legacy of the post-independence period in Mexico was one of constant infighting first between centralists and regionalists, and then between liberals and conservatives. This constant state of near political anarchy was only interrupted by the emergence of opportunistic militarists, of which there were many, most notably Antonio López de Santa Anna [1, b]. Naturally this constant civil conflict weakened Mexico a great deal, and indeed by 1837 it was in no position to block the movement for Texas’ independence, nor the invasion of Mexico by the United States in 1846, which by its end would result in over half of Mexico’s national territory lost. The liberal reform period led by Benito Juárez made some headway in terms of stability. However its radical social reforms created a great deal of dissension and unrest, permitting yet another foreign intervention by the French under Napoleon III in 1863. Emperor Maximillian, a surprisingly liberal monarch of the Habsburg line, would be overthrown and executed by Juárez in yet another example of Mexican political instability [1, c]. Fear, strife, and uncertainty were perpetual themes throughout Mexico during this period, and caused many
countries to view the Mexican people as incapable of self-government, bringing about much foreign interference in their affairs by the Spanish, French, and Americans [2]. This near century of constantly changing governments and both civil and international wars instilled within the Mexican people a desire for stability as well as a strong, confident leader that could restore that stability to Mexico. The stage was set for the entrance of Porfirio Diaz, who would rule Mexico as an effective dictatorship for the next thirty-five years determined to put an end to his country’s tradition of anarchy so that much needed economic development and modernization could occur [3]. Indeed, with this historical context in mind surrounding his rule, it is possible to develop a greater appreciation of the stability and growth that Porfirio Diaz’s regime brought to Mexico.

**THE MEXICAN ECONOMY UNDER DIAZ**

During the period of instability before Diaz took power, Mexico had lost a great deal of respect within the international community; political unrest and civil war was not an inviting scene for foreign investment. Diaz was determined to bring a prosperous economy to Mexico, and to achieve this in the modern world leaders needed to hold friendly relationships with foreign powers and attract investment into the country for costly building projects. By 1888, Diaz had achieved a great deal in terms of foreign relations. Treaties of friendship, commerce, and navigation had been signed with Sweden, Norway, France, Great Britain, Ecuador, and Japan, with postal conventions signed with the United States and Great Britain. By 1892, relations had been opened through diplomatic or consular officials with every European nation except Austria and Turkey [4]. These diplomatic relationships would bring much-needed capital into the country and restore Mexico’s international prestige to a large degree. Diaz has been widely criticized for holding an all too friendly, almost subservient relationship with the United States. However, Mexico benefitted enormously from its relationship with the United States, and it could be argued that Mexico’s attachment was the inevitable consequence of geographic proximity and complementing economies [5]. The United States offered a near unlimited market for Mexican goods and by 1900, 63 million dollars in annual trade was passing between the two countries, up from a mere 7 million dollars in 1880, with 75% of Mexican exports going north of the border [6]. In addition, Diaz had paid the last four million pesos of debt owed to the United States in January of 1890 and signed an extradition treaty that greatly reduced crime rates and improved safety on the northern border [4]. Indeed, when Diaz was quoted as saying, “pity poor Mexico, so far from God, and so close to the United States”, he was surely referring to political or military risks, as Mexico’s economy was able to flourish from trade with its northern neighbour [5, d].

The budget and loan management of Mexico is one of the areas where the benefits of the Porfiriato are most evident. The instability of the previous century had resulted in a great deal of governmental debt and continuous deficit budgets, while loans that were taken out were done so at painfully high interest rates. Although criticized for its dictatorial nature, the relative autonomy afforded to Diaz’s regime due to a lack of formal political opposition allowed it a great deal of flexibility in terms of financial planning and an economic growth rate that would have been impossible with constant political bickering and catering to elite societal factions [7]. As such, as early as 1895 the national treasury had balanced the budget and was even running consecutive surpluses. This allowed the regime a better negotiating position with the banks and, for the first time, Mexico as a state negotiated with foreign powers from a position of unquestioned financial strength [7]. Interest rates on loans were soon fixed at a mere 5% as Mexico was increasingly seen as a safe investment, and rates were in the process of dropping to 4% when the revolution began in 1911 [5]. A financial report in 1909 by José Yves Limantour, Diaz’s much praised Secretary of Finance, reported that between the years 1895 and 1909, Mexico’s aggregate surplus amounted to over 136 million pesos, with over 71 million of this going towards public works such as the National Theatre in Mexico City and a canal to drain the Valley of Mexico to prevent flooding [8]. In addition, this unprecedented government income meant service workers and the military were paid regularly and fairly, resulting in more satisfied and efficient officials than could be obtained when bribery and graft were the only ways in which an official could extract payment for his services [4]. Indeed, the financial management of the Diaz regime brought a great deal of wealth to Mexico, and proved instrumental in beginning a massive infrastructural modernization effort in the late nineteenth century.

With respect to the economy, the rule of Porfirio Diaz is remembered most for its contributions to infrastructure, particularly railroads and mining. Railroads were becoming an integral part of all modern nations, and were useful for both economic and military applications. Diaz recognized the important role railroads could play in strengthening the Mexican economy and embarked on an ambitious building campaign during his rule. In 1875, less than 580 kilometers of track had been laid in Mexico, but by 1896 this number had increased over 100% to 11,500 kilometers of track and continued to grow as the new century approached [4]. These railroads not only had enormous benefits for moving goods and raw materials around the country quickly, but also provided markets for goods that were previously unavailable and brought even the most isolated communities the benefits of modernization and increased trade. For Diaz, railroads proved to be a mixed blessing as increased connection between communities allowed groups to coordinate and eventually rise up against the unfair hardships they felt they were subject to [4]. On the other hand, before the introduction of railroads, there were substantial barriers to
mobility, particularly the transition from the sedentary village lifestyle to urban life. Before the railroads Mexico had retained much of its tradition of segregation whereby indigenous peoples mostly populated rural areas while the urban centers were reserved for the wealthier Spanish elite. Railroads helped break these traditions and offered the rural peoples easier access to the benefits and opportunities of urban life [6].

With respect to mining, Díaz revitalized and expanded the industry such that the export of minerals jumped by 650% during his rule, as the new railroad system made it possible to transport ore to other parts of the country for processing, as well as to the United States for sale [6]. Díaz also increased the amount of titles given for mining operations and altered mining laws to encourage foreign investment in this capital-intensive industry and as a result, silver production more than doubled from 1886 to 1900 [4].

Díaz also altered land titles and tenure in an effort to stimulate economic growth by disposing of over a thousand land titles owned by the government and putting them into the public domain. Unfortunately this effort to attract immigrants and new settlers would end up being abused by officials of both Mexican and foreign origin. However, these lands were often in undesirable areas that were previously uncultivated and unused, so although a large portion of them were held in foreign hands, they were at least producing something instead of nothing as before [4]. In another controversial move, Díaz abolished the ejido (communal land) system in favour of a private enterprise approach. This decision has been criticized and noted as placing large tracts of land in the hands of relatively few people, but there was in fact a steady growth in the quantity of private landowners still taking place, with this number actually doubling between 1854 and 1900 [4].

Díaz also significantly improved other forms of infrastructure. He ordered the establishment of 3 new consulates along the border with the United States to better regulate trade, an average annual construction of over 1 thousand kilometers of telegraph line to improve communication, and a drastically improved postal service that distributed over 5 million pieces of mail in 1878 [4]. In addition, Díaz abolished the old alcabala internal tax system between provinces that was hampering commerce and ordered the construction of a canal to drain the Valley of Mexico in order to solve the persistent flooding problem in Mexico City [5, 6]. Indeed, Díaz’s contribution to the economic revitalization of Mexico is due in no small part to these infrastructure improvements and innovations.

The most significant criticisms towards Díaz’s economic polices have been the uneven distribution of wealth from industrialization and the high percentage of land and infrastructure owned by foreign dignitaries. However, what is often overlooked or deliberately unaddressed is how such significant modernization and economic prosperity could have been achieved at all without foreign investment. Railroads, ports, canals and mining operations all require enormous amounts of capital to build and maintain. After years of civil strife, Mexico had very little domestic capital and certainly not enough to facilitate the modernization the country required. Moreover, it would seem that Díaz and his advisors were not actively trying to impoverish the lower classes as many argue they were. Rather, they believed (albeit, falsely) that the profits from trade and commerce would eventually trickle down through the middle class and into the lower classes as Díaz was a firm believer that Mexico had to be, as historian Nicolas Cheetham has noted, regenerated by “pervasive economic action from above, not by the promotion of social reform from below” [5, 1]. Indeed, throughout history the benefits accrued from economic progress have rarely, if ever been equal. This is evident during the industrialization phase of nearly every country in the modern world, and is still a persistent issue even today. Thus is seems unreasonable to expect the economic growth and modernization of Mexico to have been any different.

**The Mexican Society Under Diaz**

The presidency of Porfirio Diaz has been largely associated with a general decline in the quality of life of the average Mexican citizen and a lack of emphasis on social welfare institutions. Diaz, it is true, was certainly more concerned with economic growth and the attraction of foreign investment in his country than the well being of the people who inhabited it. However, considering the complete destruction and chaos that reigned throughout Mexico before his term in office it seems understandable why such an unrelenting emphasis was placed on the economy, as well as on the establishment of order. Although Diaz showed little whole-hearted commitment to social welfare and the betterment of society, he did still contribute much in terms of welfare institutions, religious tolerance, the promotion of education, and a strong emphasis on law and order as the backbone of a successful Mexican society.

Given the circumstances around which Diaz took office and the generally unstable condition of Mexican society with respect to legal adherence, one can see why Diaz made the establishment of law and order a top priority during his first years in office. The creation of the rurales, a mounted police force with the objective of putting down insurrections and assuring compliance with the law, was Díaz’s way of ensuring his rule would not be plagued by the constant insurrections that had been rampant since the time of independence [4]. The rurales dealt swift and severe punishments upon smugglers, brigands, and rebels that Diaz saw as a necessity to bring order to the country. Although their methods were brutal, the rurales brought peace and stability to the majority of the Mexican population by putting an end to the nearly endemic practice of brigandry and by making the rural areas safe once again for the passage of trade goods. However, with regards to the justice system itself, many saw Mexico as having two types of law: one for foreigners and another for Mexicans. Indeed, foreigners often
enjoyed better protection and greater leniency under the law than indigenous Mexicans did, which was a source of much dissent among the population [4]. This was again an aspect of Diaz’s plan to make Mexico into an inviting environment for foreigners and thus, their money.

Much of the most fundamental judicial codes and institutions such as the constitution, civil code, and penal code were already in place when Diaz took office. However, the previously chaotic nature of the state did not allow for their benefits to be felt. During Diaz’s rule, these same codes were revised, made more consistent, and complemented with new ones [3, g]. The most important thing to note regarding law and order during Diaz’s rule is that the emphasis on adherence to the law placed Mexico on a path to normalcy and stability, while the law itself attained respectability and stature for the first time in nearly a century [3, h].

Labour is not normally considered a shining aspect of the Diaz regime, as many point out the oppressive policies and poor working conditions, particularly of urban workers, as one of the great stains on the Porfiriato. It is not possible to refute many of these criticisms, as it cannot be denied that Diaz certainly did condone some oppressive, impoverishing policies towards the working classes. That being said, the labour policies of Porfirio Diaz were still not quite as deplorable as Mexican tradition has made them out to be.

Although concessions towards labour unions and workers were largely based upon support for the regime, the Diaz government did in fact develop a sophisticated array of labour policies determined to keep worker militancy at a minimum and promote an alignment of the labour force’s identification of its own well being with the interests of the state [9]. The state sponsored informal as well as official mediation between workers and employers during strikes, and even instituted education programs and labour newspapers for the workers [9]. Diaz supported the Gran Circulo labour federation by providing lodging for their meetings as well as a state subsidy, and frequently granted them monetary concessions for the construction of workshops and night schools for workers. This emphasis on educating the working class was a collaborative project, in that both the government and the labour groups agreed that education, rather than social revolution, was what the workers needed most [9, i]. In some states slavery was still an accepted practice, but a law passed by Diaz in 1896 attempted to lessen the burden imposed on hacienda workers. The law stated that workers were no longer to be paid in script only redeemable at the hacienda store, at which they were previously at the mercy of the hacienda owners in terms of price [4, j]. Most significantly, the economic development that all of these labour policies were geared towards had created thousands of jobs for unemployed Mexicans, improving their quality of life and further contributing to the economy [4]. Although Diaz’s policies pertaining to labour conditions were less than admirable, many of his efforts at cooperation and conciliation are often overlooked. His regime, unlike previous ones, recognized the importance of a compliant labour force in fostering economic development, and his post-revolutionary successors would actually adopt similar policies in their efforts to expand industrial capitalism in Mexico [9].

Welfare institutions and programs saw some significant growth and improvement during the Porfiriato. Although it has already been established that social welfare was not a high priority for Diaz, he did assume direct administrative responsibility for public welfare and still instituted some beneficial reforms. In Mexico City, Diaz engaged in an ambitious building campaign in which he moved the city’s largest orphanages, prisons, reform schools, and hospitals out of their previously neglected colonial era structures into modern, better equip facilities [10]. The Hospicio de Pobres in Mexico City was transformed into an institution for sheltering homeless children and for the vocational training of young women. The government also purchased the property where the city’s trade schools were located and turned them into vocational training schools where young men could learn a trade [10, k]. The state also licensed a lottery for the support of public hospitals and welfare institutions and placed an emphasis on private charity donations, while Diaz often pledged money himself towards beggar’s shelters and other asylums [10]. Regulations too were changed as Diaz raised control of public institutions such as hospitals to a higher governmental level, made operators of these institutions accountable for their actions, restricted their terms to two years, and set firm regulations regarding private involvement in the management of these institutions [10]. As many as 251 hospitals were open in Mexico by 1899, and although they were unequally dispersed among the provinces, it does indeed demonstrate a certain commitment by Diaz towards social welfare. Funding was also improved over the course of his rule too as a modest 30,000 pesos were spent on social welfare in 1877 compared to 320,000 pesos in 1898, while over 1.3 million pesos were spent on building and improving welfare institutions in 1909 alone [4].

In terms of education, only modest sums were spent on the establishment of an adequate number of schools for Mexicans. However, when Benito Juárez stripped the church of its educational rights and institutions during the liberal reform, he replaced them with very little. Diaz’s regime presided over the creation of primary schools literally from the ground up, of which there were 12,000 with over 1 million pupils in 1910 [5]. With a total population of over 15 million people at the time this was at best a modest undertaking by Diaz, but was certainly a more concerted effort than was put forth by his predecessors. Indeed, it is important to note with respect to criticisms of Diaz’s contribution to education and welfare that his government developed its approach to these institutions within the context of rapid urbanization and population growth as well as an almost complete reconstruction of the state on every level [10].
Relations between the church and state also dramatically improved during the Porfiriato. Diaz recognized that a policy of conciliation towards the church would win favour with the masses and would also avoid the clashes that resulted from the secularization policies of Juárez and the Liberals [5]. Diaz was a leader who understood that the maintenance of order was essential to prosperity and continued rule. As a result, he allowed the Mexican states to retain their individual charters they had created under Juárez that guaranteed, among other things, religious freedom [11]. Diaz adopted this policy of conciliation towards the church and indeed several aspects of society in order to maintain order. This policy allowed the church to retrieve much of its previous freedom of action, but was limited in its ability to influence citizens or criticize the regime. As a result, previously sensitive subjects such as civil registry and marriage were met with much less hostility from the church. This is evident when one considers the fact that the clergy did not object to the requirement that a civil marriage ceremony be performed prior to the religious one and civil registration precede baptism [11].

Protestants had established a modest presence in Mexico by 1880 through the immigration of American businessmen, and were met with numerous attacks by Catholic mobs. Diaz was forced to interject several times with federal troops to stop these attacks and enforce his policy of religious freedom, again in an effort to maintain peace and order within the country [11]. Although Diaz was certainly an authoritarian ruler, these conciliation policies towards the church and even previous political rivals demonstrated his moderation in exercising this authority in many cases for the betterment of the country.

A NOTE ON POLITICS UNDER DIAZ

Although Mexico may have advanced a great deal economically and, to a lesser extent, socially during the Porfiriato, it would be impossible to say that Mexico advanced politically during Diaz’s rule. One cannot speak of the consolidation or alteration of political institutions during this time because they were simply non-existent [3, l]. The very nature of a dictatorship like Diaz’s leaves no room for political advancement or formal opposition, if it did it would cease to be a dictatorship at all. However, some things can be said about the politics of Diaz’s rule even if it is not regarding beneficial change.

Diaz adopted the “bread or club” policy towards all political opposition. Anyone offering resistance to his rule was immediately tempted with a lucrative position within the government or military, a job that certainly held better prospects than being a rebel. If they refused, the challenger often succumbed to a rather unfortunate accident, and while no direct blame was usually placed on the President, he had a certain absence of grief towards the deaths of these challengers [4]. Indeed, this was the nature of politics in Mexico during the extended rule of Porfirio Diaz. In spite of this many people approved the continuation of his term, arguing that a short term for a president was not suited for Mexico. Given the almost routine political turmoil and resorting to arms that previously took place upon the end or forced secession of the presidential position, one can certainly see their point [4].

Diaz himself claimed in an interview with reporter James Creelman that he believed in democracy as the one true and just principle of government, “although in practice it is possible only to highly developed peoples” [12, m]. Perhaps Diaz thought of himself as a necessary intermediary president between the previous time of political anarchy and the eventual time of true democracy in Mexico. Although, he noted that during his time in office Mexicans were not yet prepared as a people for democracy, stating, “our difficulty has been that the people do not concern themselves enough about public matters for a democracy. The individual Mexican as a rule thinks much about his own rights and is always ready to assert them” [12, n]. Ironically the same thing could quite easily be said about Diaz. Nevertheless, regardless of his motives for such a lengthy rule and lack of political advancement during it, the fact of the matter remains that even Diaz’s most ardent opponents cannot deny that his consolidation of juridical, economic, and social institutions brought about an unprecedented period of peace, prosperity and longevity in Mexico [3, o].

CONCLUSION

The Porfiriato was, and still is a time of much controversy and mixed emotion. On the one hand, the thirty-five year rule of this president resulted in a great deal of impoverishment among the lower classes and enormous inequity in terms of wealth distribution. On the other, Diaz’s policies brought about a swift and enormously beneficial period of modernization and industrialization, as well as social reforms that continue to have an impact on Mexico. His term as president certainly contained a great deal of flaws and unfortunately, his rule is often remembered and characterized by these only. However, while oppression and injustice are often the most remembered aspects of the Porfiriato, the presidency of Porfirio Diaz brought numerous economic and social benefits to Mexico, lifting it out of over a century of constant civil war, anarchy and chaos, and into the modern, industrial world.

REFERENCES


**ENDNOTES**

a. Page 2 in reference 1
b. Page 4 in reference 1
c. Page 4 in reference 1
d. Page 200 in reference 5
e. The *alcabalas* was a sales tax varying at times from 3-14% instituted in Mexico in 1574, and applied to Spain and all her dominions. The tax survived the independence movement and was the source of over two million pesos annually for the government by the late eighteenth century. However, the *alcabalas* was a hindrance to internal trade in Mexico as goods passing between states were subject to the tax, eventually being cancelled by President Díaz in an attempt to stimulate internal trade and make it more efficient.
f. Page 205 in reference 5
i. The *Gran Circulo de Obreros de Mexico* was a workers federation founded in 1870 by a group of Marxists, with some anarchist members. It was one of many workers federations that formed in Mexico as a result of the socialist and revolutionary thought of the mid-19th century and the failure of the Paris Commune. The *Gran Circulo* was a supporter of Díaz after he came to power due to their authoritarian socialist ideologies, distancing themselves from the other worker’s federations in the process. By 1880 all the workers organizations in Mexico had been taken over by Díaz with the exception of the *Gran Cierculo*, which lasted a few more years due to their cooperation with the regime.
j. *Hacienda* is the Spanish word for an estate. They originated as land grants for *conquistadors* during and after the conquest period; eventually evolving into a land system in which peasants worked and lived on land owned by a wealthy owner, often at their mercy in terms of law and prices for goods from the *hacienda* store.
k. The *Hospicio de Pobres* was the poor house in Mexico City, brought under federal administration under Díaz and transformed into an institution for sheltering beggar children and the vocational training of young women. Boys also learned trades while labour often served as both a form of education and punishment for the city’s poor.
m. Page 287 in reference 12
n. Page 289 in reference 12