The modernization of Mexico is indispensable to be able to meet the needs of today’s 85 million Mexicans, who will grow by 10 million more in the next six years. All will require food, urban services, housing, education, and an honest livelihood. During my administration, 9 million additional students will enroll in the national educational system, with a legitimate expectation that their quality of life will be better than their parents’. A million young people annually will expect meaningful employment, a certain future, a just and sovereign country.

To confront these challenges, we must grow with equity, make the State more efficient, increase general productivity, unleash the energy of the community, allow popular participation to take root. In a word, we need to modernize politics, the economy, and society. Mexico’s modernization also is inevitable. Only thus can we affirm our sovereignty in a world in the midst of profound transformation. There is a scientific revolution on the march; the centers of technological, financial, and commercial dynamics are separating themselves from the centers of military power. The end of bipolar conflict is anticipated, diplomatic negotiation begins to prevail over the use of armed force to resolve conflicts; the so-called Cold War has ended.

Competition will intensify with the growth of new technologies and lower costs. We will see the resulting development of multipolar relations; pressures will grow. The international perspective thus is very complex and increasingly tense. For this reason, the majority of national States are changing, no matter their location, ideology, political practice, or the industrial level they have achieved. The global tendency is that States are restructuring in search of greater strength and capacity for management. They do not do it to be fashionable or to imitate others, but as a way to act in the face of international competition and satisfy the needs of their countries.

We will change to be in the vanguard of the global transformation. This does not mean that we will change everything without prudence; on the contrary, we will act with firmness and consistent decisions. We will not do it precipitously, but gradually, with depth and without violence to the solidity of our political structure.

The State, with the origin of the new century and the new millennium, neither can, nor should, try to be the only actor, but rather the leader of a democratic society; not the largest, but the fairest and most efficient; not the most responsible for the social fabric, but the liberator of its enormous energy. Without excess and myths, the modern State should once again discover its original principles of promoting justice and change. It will thereby continue calling itself revolutionary. The transformation of the Mexican State will be an encounter with its future, not a nostalgic, but impossible return to the past.

The modern State is that which guarantees the security of the Nation and, at the same time, the security of its citizens; that which respects, and requires others to respect, the law; that which recognizes political pluralism, accepts criticism, nurtures civil society, and avoids the worsening of conflicts among groups. It maintains transparency and modernizes its relations with political parties, trade unions, business groups, the Church, and new organizations in the country and in
the cities. The modern State is that which leads the national strategy of development. It creates the conditions for stable, sustained growth; it increases efficiency and strengthens and prioritizes strategic assets; it strips itself of unessential assets to broaden its action in social responsibilities and it explains the reasons for these decisions. It tends with great care its fundamental objective: popular well-being.

The modern State is that which does not ignore its responsibility to those groups that need its support: women workers, unprotected infants, adult pensioners, indigenous groups, and it broadens their opportunities, leading their defense. Social wellbeing in the modern State is not identified with paternalism, which supplants individual efforts and inhibits character development. Today, the improvement of living standards can only be the result of responsible and mutually shared action between the State and the society.

In the face of the challenges of political and social transformation that already occurred, and to achieve modernization and change through legal, peaceful, institutional means, I propose three new national accords to my compatriots. I do so with conviction and good faith, recognizing citizen demands. These three accords look to satisfy immediate needs and open the perspective and horizons of Mexicans.

I propose first a national accord for the broadening of our democratic life; second, a national accord for economic recovery and stability and, third, a national accord for the productive improvement of popular well-being.

I postulate a new era of economic growth; we already have the structural foundation to achieve it and we will set in motion a new strategy of development with regard to the national accord on economic recovery and stability. We will leave crisis behind, but not the tenacity which it obliged us to assume; we will begin the recovery of standards of living, but we will keep our habits of saving, productivity, and efficiency; Mexico’s working people know that what they have earned and defended, they have achieved by their own effort. Mexicans have told me that the do not expect easy solutions; what they demand is that problems are resolved, that there be a true, lasting, and near-term exit; they know that there will not be any miracles. I assure them that there is hope.

The State will comply with its responsibility, attending to social expenditures and the productivity of strategic and priority organizations; clearly, public investment will be for recovery, not by its total amount, but by its purpose; we will encourage activity achieved by individuals and we will promote conditions that will make possible, as the Constitution establishes, the private sector’s contribution to economic and social development. In the recovery, private sector investment will play a fundamental role, given the considerable health and financial strength of their businesses; non-petroleum exports also will be a primary factor in economic growth; we will expand simultaneously the internal market, increasing employment and, during the recovery, strengthening gradually the purchasing power of wages; we will encourage social sector activity through effective modalities for production, solidarity, and the development of the new social base.
We will maintain the Nation’s sovereignty over its energy resources, emphasizing conservation, diversification of supply, and fundamentally, but not exclusively, attending to the energy needs of the internal market.

I ratify emphatically that, in my administration, there will be strict control of spending because the contrary would provoke a new inflationary flood. We will modernize the financial system to encourage private savings and we will establish fiscal discipline, punishing abuses in the bond market. To strengthen consumption, savings, and investment, tax rates on individual and business income will decline, expanding the fiscal base. Less taxes and more tax payers will strengthen savings and encourage work.

In the face of serious social backsliding, economic recovery should be achieved with the least delay possible, but to recover lasting growth with price stability, the increase of economic activity should be gradual. Immediate growth is limited by the low rates of private investment in the last few years. A sudden recovery would cause an imbalance that would again carry us to the threshold of hyperinflation.

The Government alone neither can nor should assume responsibility for the solution to this problem [of providing basic social services]. Many sectors of the population can contribute. The objectives are clear: in matters of food, to guarantee supply in both the countryside and the city, to regulate the market in subsistence foods and reduce inflation. In the area of wholesale, to transform the commercial networks and assure a clear, explicit, and transparent policy in the use of subsidies that are only absolutely necessary.

To business owners I reiterate my promise to generate a favorable environment for private investment and, with it, the creation of employment and prosperity. I am determined to help the modern businessman who risks his capital and talent and remains sensitive to, and respectful of, the needs of other groups in society. We will offer clear rules and certainty in government actions; we will simplify regulations that impede production and only feed bureaucracies; we will promote flows of foreign investment consistent with our priorities and with the purpose of generating employment, technology transfers, and increases in our exports. I ask businesspeople to invest and reinvest, with a modern, enterprising vision, and continue committing themselves to economic stability because it is in everyone’s interest.

Mexico lives proud and steadfast because it has victory before it; I have faith in Mexicans; I will prevail due to their effort, I will defend their dignity, I will encourage their spirit. We will construct a great Nation; we will show it proudly to the world. Faced with challenges once again, we will demonstrate by deeds the greatness of Mexicans. Our country will triumph! Long live Mexico!