After the Helms-Burton legislation was passed in 1996, however, all bets were off—and Mexican investors, fearing that they would be punished by U.S. claims--quickly withdrew from the island. In part this trend had already started with the 1994 peso crisis, but even more traumatic for Mexican investors was the threat of Helms-Burton. Their investments in the United States, and their exposure to lawsuits from angry enterprises nationalized by the revolutionary government, simply proved too hot to handle. In general their flirtation with the heady concept of capitalist investment in communist Cuba came abruptly to an end—although several medium- and small-sized investments continue in Cuba.

Since 1994 and the arrival of Ernesto Zedillo, the relationship steadily deteriorated. In terms of trade it has declined–although still clearly remains in Mexico's favour. The large investors departed swiftly after the threat of Helms-Burton was unveiled. Mexico's own disastrous economic situation—and especially the major peso devaluation—clearly didn't help either. From a situation during the Salinas presidency when a revolving line of credit had been established (allowing the Cubans to obtain fresh credit in exchange for paying off their debts), the cold technocratic approach of the Zedillo government now refused to allow any lines of credit at all.

During the Zedillo presidency, and while Mexican-U.S. relations warmed noticeably, the signals between Havana and Mexico City increasingly chilled. One of the low points came in 1998 when Fidel Castro criticized Mexico for abandoning its revolutionary roots in pursuit of U.S. investment. Mexican schoolchildren, he noted with heavy irony, now knew more about Mickey Mouse and other Disney characters than their own national history. He was right—but his criticism was understandably not appreciated in nationalistic Mexican circles. Mexico retaliated swiftly—its ambassador was recalled to Mexico City and not allowed to return to Havana. The Cuban foreign minister was dispatched to Mexico on a mission of damage control, and Fidel Castro published a large article in the Mexican media apologizing to Mexican children for his intemperate remarks. It was a desperate attempt at damage control by the Cuban government, and on the surface it appeared to have been successful.

At the level of the presidency, however, things continued to deteriorate in 1999 and 2000. At the Iberoamerican Summit held in Havana in 1999, President Zedillo took the offensive, criticizing the human rights situation in the host country, and calling upon Cuba to put its house in order. Needless to say, his gesture was not appreciated. To illustrate the poor level of bilateral communication, it is worth noting that both countries refrained from replacing ambassadors in each other's countries when their term expired. Cuba, for instance, was without an ambassador from November 1999 to May 2000. The case of Mexico was even more noticeable—with a gap of no less than six months (January-June 2001). Clearly messages—and not too subtle at that—were being sent.<sup>6</sup>