Mexico's shopping list for U.S. exports

An important factor in shaping the positive environment around the Reagan-López Portillo summit was the proposal circulated on both sides of the border by National Democratic Policy Committee Advisory Board Chairman Lyndon H. LaRouche calling for forging an oil-for-technology partnership with our southern neighbor. LaRouche's idea is to use such a breakthrough as a model for linking the advance sector and the underdeveloped nations in a policy of global industrialization.

If Reagan follows through on the positive accomplishments of last week's meeting with López Portillo, in the upcoming meetings with the Mexican president, the U.S. might reasonably hope to obtain an additional one million barrels per day of Mexican oil, on top of the 670,000 we now receive. Mexico could simply take the $10 billion yearly that 1 million bpd of oil would generate, and come to the United States with a $10 billion "shopping list."

In the four years of the Reagan administration, Mexico could give American exporters of industrial goods over $50 billion in business, and help create 1.6 million new export-related jobs for American workers in heavy industry.

How would this break down?

Two-thirds of Mexico's industrial imports come from the United States, which in 1979 totaled about $4 billion. The Mexican government's industrial development strategy projects 8 percent annual GNP growth rates for the next decade, with industry expected to grow at 10 percent. But a recent econometric study completed with the LaRouche-Riemann model demonstrates that Mexican GNP growth rates of at least 12 percent are totally feasible.

The specific project areas in which U.S.-Mexico cooperation can flourish are:

Nuclear plants: Mexico's just-announced National Energy Plan projects a 20 gigawatt target for the year 2000, to be met by producing 20 new nuclear plants. But Mexico could handle as much as 50 gigawatts by the next century, which translates into 9 nuclear starts during the next four years.

Agriculture: Mexico urgently needs to modernize its backward agrosector with the "American methods" that President López Portillo so admires. This means annual imports from the United States of over 5,000 90-horsepower tractors; an array of other agro-industrial machinery; and equipment needed to launch a major hydraulic project.

Capital goods: Mexico's population will double by the year 2000. The government is already engaged in a far-reaching program of city building, including public works projects. Three major "superports" are being constructed from scratch.

Machinery: The government is committed to build a solid capital goods sector, and this will demand $10 billion worth of steel products and machinery from abroad.

Mexico's import bill, 1981-84

Billions of dollars in cost/thousands of U.S. jobs created

	1981		1982		1983		1984		4-year total	
Sector	Cost	Jobs	Cost	Jobs	Cost	Jobs	Cost	Jobs	Cost	Jobs
Basic chemicals	1.0	30	1.0	30	1.2	36	1.5	45	4.7	141
Metal products	0.5	15	0.6	18	0.7	21	0.8	24	2.6	78
Machine tools	3.0	90	3.7	111	4.7	141	5.8	174	17.2	516
Electrical machinery	3.1	93	4.4	132	5.2	156	6.6	198	19.3	579
Transport equipment	1.2	36	1.4	42	1.6	48	1.0	30	5.2	156
Automotive	0.9	27	1.0	30	1.1	33	1.3	39	4.3	129
Total	9.7	291	12.1	363	14.5	435	17.0	510	53.3	1,599

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