A Fifth of All Mexicans Are Now Economic Refugees in the U.S.

by Dennis Small

In the course of a visit to Saltillo, Mexico in November 2002, Lyndon LaRouche proposed the launching of a policy of economic and scientific cooperation between the United States and Mexico. His proposed policy was centered on the development of the Great American Desert—which straddles the two nations—through great projects in water, energy, high-speed rail, and other essential infrastructure.

In the May 29, 2003 issue of *EIR,* we underscored two significant aspects of this LaRouche proposal:

1) That "in posing the development of the deserts, we are proposing what is arguably the *most difficult* task of planetary development." If we can succeed here, then we have implicitly solved all, easier problems of economic development.

2) That U.S.-Mexico cooperation to jointly develop the Great American Desert should also serve as a model of a community of interest among developed and underdeveloped nations. "Would it not be interesting if we could solve the problem of development not only in a desert, but also in one where a paradigm change in North-South relations is required in order to succeed?

"And if we are able to meet the challenge in this case, we will have met it, in principle, for the entire world. . . . The United States and Mexico have always been the decisive case, the litmus test, of North-South relations in general. . . . If we are successful in U.S.-Mexican relations, then there is hope for the entire world—even for tortured Africa, and its Sahara Desert."

In early 2004, one of Harvard's more notorious resident psychopaths, Trilateral Commission member Samuel Huntington, presented the synarchists' diametrically opposite policy for the United States and Mexico. Mexicans are *the* strategic enemy facing the United States, Huntington wrote in the March/April 2004 issue of *Foreign Policy* magazine, because they threaten "the distinct Anglo-Protestant cutlure" on which he lyingly asserts the United States was founded. Well-timed with this overt call for race war against Hispanics, white supremacist and other vigilante groups have sprung up along the U.S.-Mexican border, and have actually begun to hunt down Mexicans who are allegedly crossing into the United States illegally.

The Hispanic side of such a potential race war is simultaneously being put into place—just as LaRouche warned it would back in August of 2003—around the European fascist apparatus associated with Spain's Blas Piñar, and its networks in the Americas.

All of this is happening as millions of Mexicans, and other Hispanics, are indeed streaming across the border into the United States. They are economic refugees driven by the genocide being imposed on their countries of origin by the International Monetary Fund (IMF) and the international bankers. But they are coming not to the land of promise and growth that the United States once was, but to an economy plunging into the depths of physical economic depression. They are fleeing out of the frying pan, and into the fire.

An overview of cross-border demographics and employment over the last three decades, shows the urgency of addressing this situation with LaRouche's Great American Desert development proposal, lest we be thrust into the race war promoted by the likes of Huntington and Piñar. What follows is the first in a series of articles in which we will take up the range of issues of such cross-border development.

Mexico's Physical Economy Crumbles

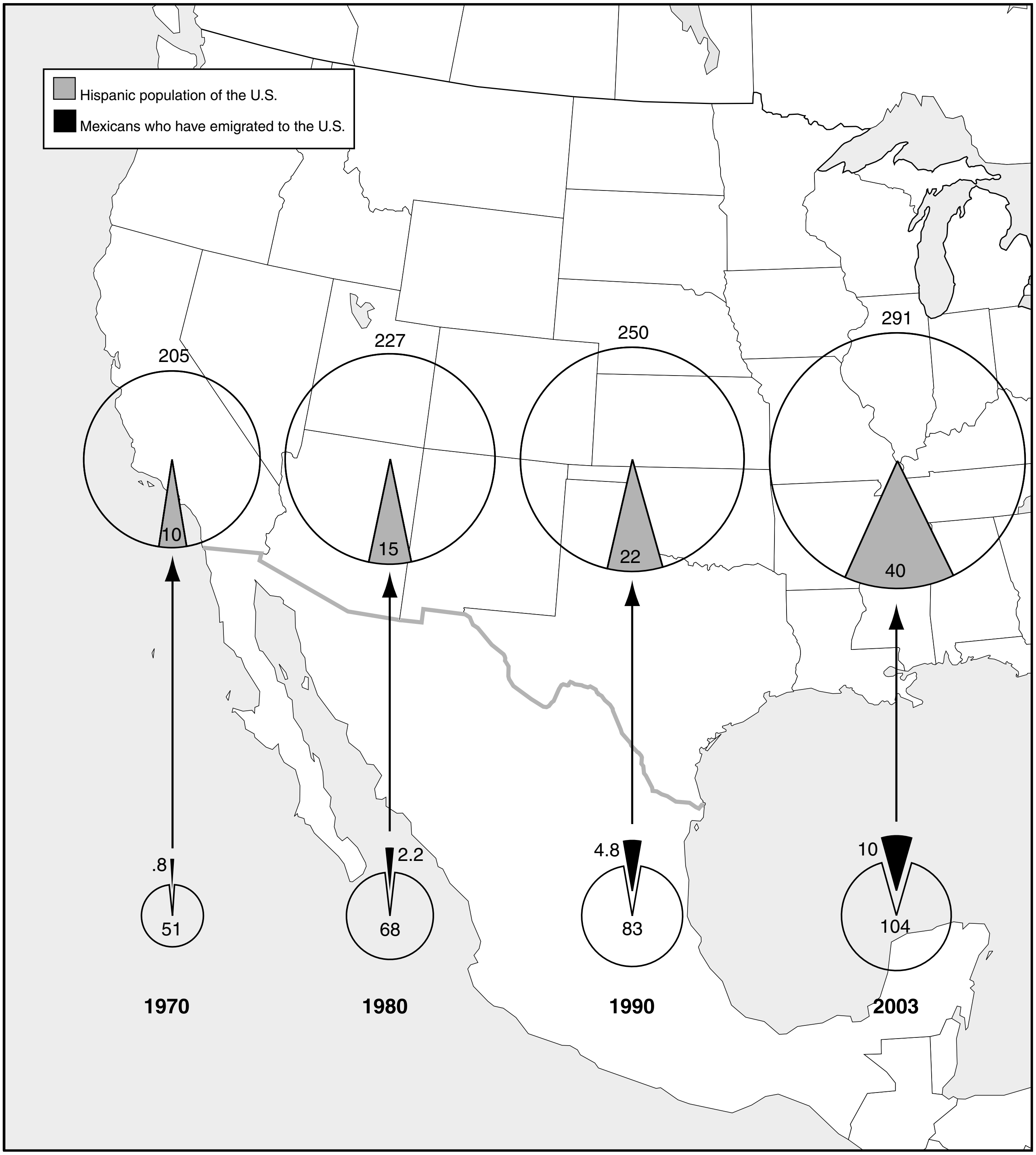
After some three decades of modest economic growth from the end of World War II until 1982, including a serious effort at industrial development under the Presidency of José López Portillo (1976-1982), Mexico was cracked by the IMF during 1982. Over the following two decades, Mexico's physical economy—as measured by *EIR* in terms of the per-capita production of market baskets of consumer and producer goods—collapsed by about one-third. In other words, Mexico's physical economy became progressively less and less able to support the country's existing population, let alone the requirements posed by natural demographic increase and societal progress. Mexico's *potential* relative population density, under IMF policies, dropped below the level of its *existing* population density: The existing population could not be maintained.

Two things happened as a result. First, there was a sharp drop in the living standard of Mexicans. And second, Mexico began to export its own labor force. As **Figure 1** shows, as of 1970 only 760,000 Mexicans had emigrated to the United

FIGURE 1

Mexico and the United States: Population and Emigration

(All Figures in Millions)



Sources: INEGI (Mexico); U.S. Census Bureau.

States—many of them legally, some of them not. This amounted to just under 1.5% of the total population born in Mexico. At that time, the population of Mexico was less than one-quarter that of the United States. By 1980, there were 2.2 million Mexicans living in the United States: the percentage of Mexicans who had emigrated had thus risen from 1.5% to 3.2% of the total of those born in Mexico.

But from 1980-1990, with the IMF-induced crisis in full swing, the rate of emigration picked up, and by 1990 4.8 million Mexicans had left for the United States (5.4% of the total). And from 1990-2000, emigration accelerated even further, with the percentage of Mexicans who had emigrated to the United States rising to 7.9% of the total Mexican population.

By the end of 2003, there were about 10 million Mexican-born emigrants residing in the United States—almost 9% of the total population born in Mexico (114 million). Today, the total population remaining in Mexico is about 104 million—which is more than one-third of the 291 million population of the United States.

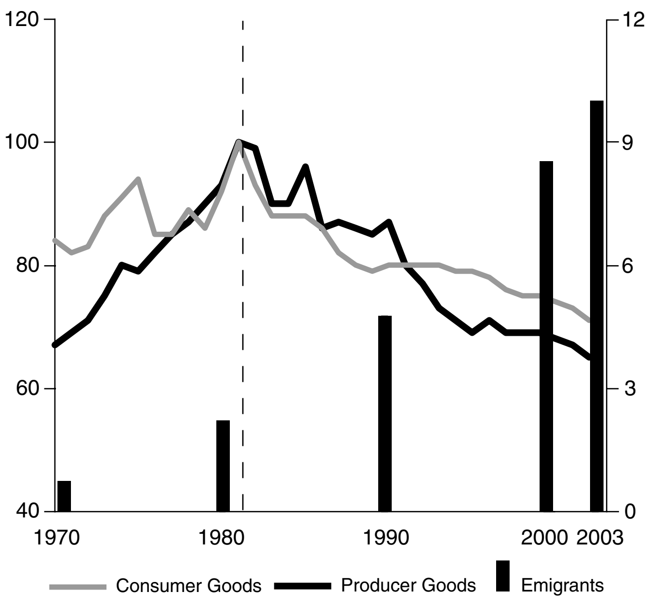
The U.S. population pie charts in Figure 1 show that today there are some 40 million people of Hispanic origin, out of a total of 291 million, living in the United States. These 40 million Hispanics include the 10 million born in Mexico; some 12 million second-generation Mexican-Americans; and 18 million other Hispanics (e.g. Puerto Ricans, Dominicans, Cubans, etc.) So a total of some 22 million persons of Mexican origin now reside in the U.S.—22 million who would, in their vast majority, today be living in Mexico, had the IMF-imposed destruction of that country's economy not driven them to the United States as economic refugees.

It is instructive to look at this accelerating 30-year trend of Mexican emigration alongside the plunge in Mexico's physical economy, which is driving that flood of refugees. **Figure 2** shows the 29% plunge in the per-capita production of a standard market basket of consumer goods from 1982 to 2002—measured in physical, not monetary, terms. The market basket of basic producer goods items plummeted even more dramatically, by some 35% over the same period.

In other words, *Mexico's physical economy has shrunk by about one-third, per capita, over the last two decades.* It is this which is driving the waves of emigration, especially after 1980.

Conversely, had these 10 million Mexicans, and their 12 million second-generation offspring—i.e., a total of 22 million souls—remained in Mexico under the prevailing conditions of collapse, the *per-capita* plunge in consumer goods production in Mexico would have been far greater, in the range of 42%, between 1982 and 2002; and producer goods production would have plummeted by some 46%. Those 22 milllion Mexicans amount to just under 20%—one-fifth!—of what would have been the Mexican-born population—a fifth of whom are today economic refugees in the United States.

FIGURE 2
Mexico's Physical-Economic Collapse Drives Emigration to the United States
(Index: 1981 = 100) (Millions)



Sources: INEGI (Mexico); *EIR.*

The Fall of the Maquiladoras

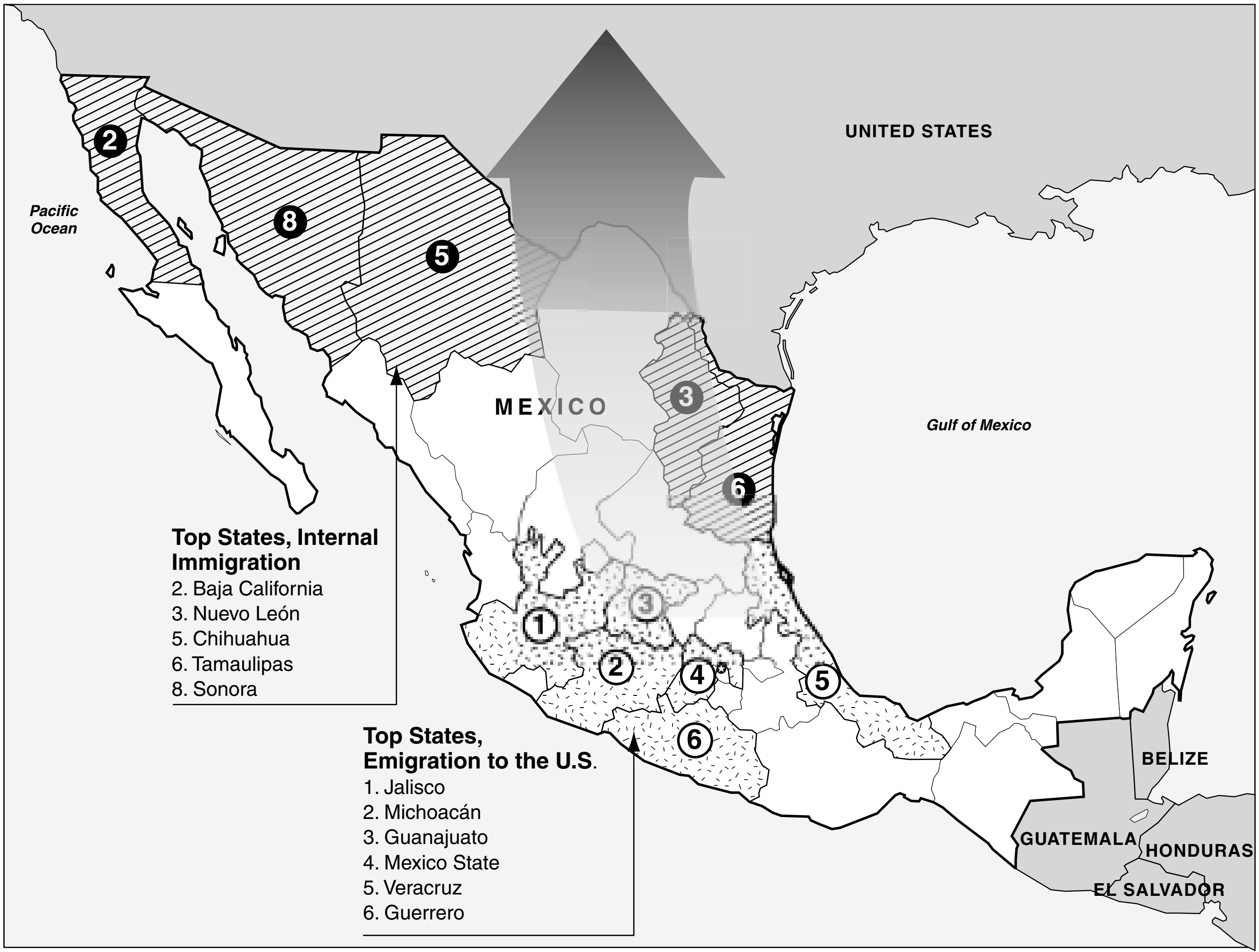
It is *not* the case that most Mexican migrants come from that country's U.S.-border states, as one might initially assume. Rather, they come principally from a swath of a half-dozen states in Mexico's impoverished central region. As **Figure 3** shows, the top six emigration states, in absolute numbers, over the period 1995-2000 were Jalisco, Michoacán, Guanajuato, Mexico, Veracruz, and Guerrero. Together, they accounted for half of all Mexicans who emigrated during this period. Not surprisingly, these are among Mexico's poorest states. For example, over the last decade, the economic growth in those six states—as measured by official statistics of "physical volume" of overall economic activity—was substantially lower than the national average, with the exception of Guanajuato. Similarly, the percentage of the total population with access to health care was less than the national average in five of the six states—in this case, the exception is Jalisco.

If we look at which states had the proportionately larger share of their populations emigrate over this same 1995-2000 period (see **Table 1**), then we see that ten Mexican states had 4% or more of their total population who had emigrated to the United States. The percentage of men who emigrated is even more revealing.

Although detailed statistics are not yet available, in the

FIGURE 3

Mexico: Internal Migration and Emigration to the United States, 1995-2000



Source: INEGI (Mexico).

three subsequent years 2000-2003, that emigration has exploded exponentially. Frontrunner Zacatecas, an impoverished desert state in North-Central Mexico, reportedly has cumulatively *half of its population residing in the United States.*

Returning to Figure 3, we draw the reader's attention to the role that Mexico's six border states play in this mass exodus. According to government statistics regarding internal migration among the Mexican states, five of the top eight states in terms of net internal immigration are border states. In other words, from 1995-2000, Mexicans by the millions generally left central Mexico, and emigrated to the border states as a kind of staging area for migration to the United States.

During the 1990s, part of the magnet-effect was produced by the growth of the infamous *maquiladoras* along the border—the virtual foreign enclaves of slave labor assembly plants, that sprouted up with no underlying infrastructure of any sort to maintain that population. This boom of the *maquiladoras,* which remains the centerpiece of binational economic strategy of both the Fox and the Bush Administrations, occurred while productive employment plummetted in the Mexican economy proper, generating 50% real unemployment in the country, which is often disguised as "jobs" in the informal sector.

But as **Figure 4** shows, the *maquiladora* boom also went bust in October 2000—along with the collapse of the U.S. consumer market to which these plants export. In the subsequent three years, through December 2003, fully 26% of all *maquiladora* companies have shut down, leading to a plunge

TABLE 1
Top 10 Mexican States, Emigration to the United States, 1995-2000
(% of Total State Population)

State	Men	Total Population
1. Zacatecas	8.0%	4.9%
2. Michoacán	6.7%	4.2%
3. Guanajuato	6.1%	3.5%
4. Aguascalientes	4.8%	2.7%
5. Hidalgo	4.7%	2.7%
6. Durango	4.4%	2.9%
7. San Luis Potosí	4.3%	2.7%
8. Morelos	4.2%	2.9%
9. Nayarit	4.1%	2.8%
10. Jalisco	4.0%	2.7%

Source: INEGI (Mexico).

in *maquiladora* employment of 22%. This has been a major aggravating factor of the depression conditions driving millions of desperate Mexicans to seek their livelihood—and that of their families back home—in low-end jobs in the United States.

The *maquiladora* free-fall has of course hit Mexico's border states particularly hard, since about 83% of national *maquiladora* employment is located in that six-state area. The overall demographic parameters of the Mexican border states are revealing, as we summarize them in **Table 2.**

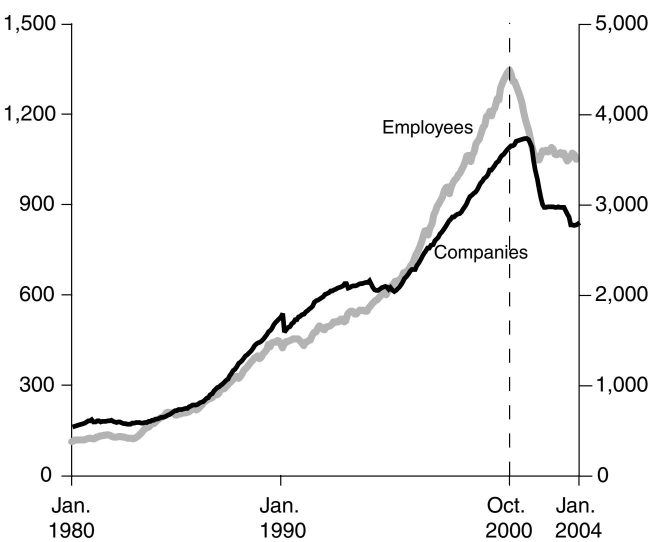
A large area, comprising 44% of Mexico's national land area, the border states' predominantly arid geography is home to only 17% of the country's population. Only the state of Nuevo León, with its industrial city of Monterrey (the third largest in the country), has a population density around that of the national average—the rest is far below the norm. *Maquiladora* employment rose rapidly from 1990, when it was about 10% of the region's total employed labor force, to 18% by 2000. If the anomalous case of Nuevo León is excluded, the other five border states had nearly a quarter (22%) of their entire employed labor force in the *maquiladora* sector. The national average was only 4%.

The *maquiladora* free-fall, which began in October 2000 and continues to date, signals the demise of the entire free-trade model that the IMF imposed on Mexico. As a consequence, the border region has been plunged into economic and social chaos, urgently requiring LaRouche's cross-border plan to develop the Great American Desert.

Imported Almost as Slave Labor

The U.S. economy to which these 10 million desperate Mexicans have fled is in ongoing collapse. During the 2001-2003 overall massive loss of jobs in America, and the 2004

FIGURE 4
Maquiladoras: Employment and Number of Companies
(Employment, Thousands)



Source: INEGI (Mexico).

TABLE 2

Mexico's Six-State Border Region

	Land Area (thou. km²)	Total Population (millions)	Population Density (per km²)	Maquiladora Jobs 2000 (thousands)	% of Total Jobs 2000 (%)	Maquiladora Jobs 1990 (thousands)	% of Total Jobs 1990 (%)
Baja California	144	2.5	17	85	15%	283	31%
Coahuila	153	2.3	15	32	5%	114	14%
Chihuahua	247	3.1	12	160	21%	327	29%
Nuevo León	64	3.8	60	15	2%	69	5%
Sonora	181	2.2	12	38	7%	110	14%
Tamaulipas	80	2.8	35	78	11%	181	18%
Six-State Region	**868**	**16.6**	**19**	**408**	**10%**	**1,084**	**18%**
National Total	**1,964**	**97.5**	**50**	**439**	**2%**	**1,310**	**4%**
Region/Nation	44%	17%	39%	93%	na	83%	na

Source: INEGI (Mexico).

alleged "rebound," most major population groups had a *net loss* of jobs, as **Figure 5** shows. Only the *new* Hispanic immigrants—those arriving since Jan. 1, 2000—gained jobs in net terms (more than 1 million of them), which indicates the way in which this group is being used as virtual imported slave labor.

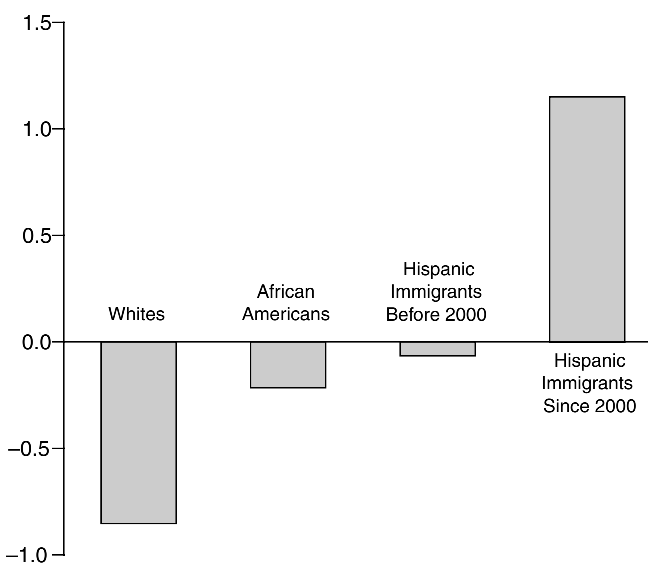
Figure 6 shows that the median wage of all Hispanic workers is more than 25% below the national norm; wages of the newest immigrants since 2000 are still lower.

This "inshoring" of cheap labor is the flip side of the "offshoring" of American jobs, a process of Schachtian economic recycling that is destroying the physical economies of both nations.

FIGURE 5

U.S. Net Jobs Gained or Lost, January 2001-April 2004

(Millions)

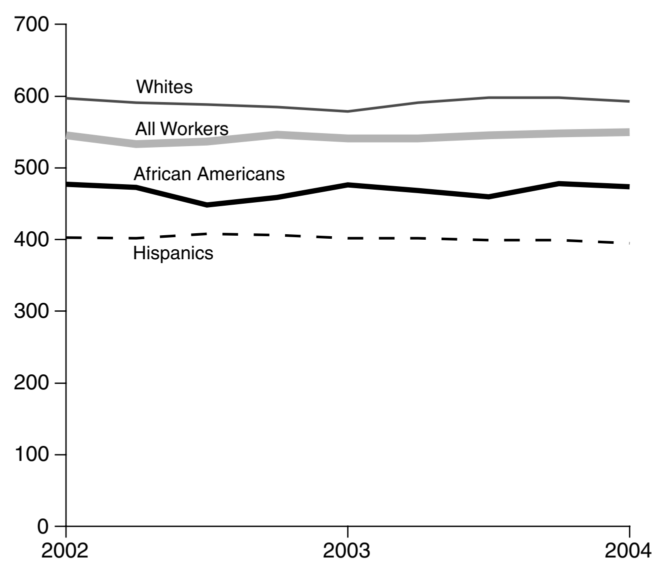


Sources: Pew Hispanic Center; *EIR*.

FIGURE 6

United States Median Weekly Wage, by Group

(Dollars per Week)



Sources: Pew Hispanic Center; *EIR*.