

FREE TRADE MEANS SLAVE LABOR

What's Behind the 'Hispanic Immigration Crisis'?

by Dennis Small

In his opening presentation at the June 16 international webcast (*EIR*, June 24), Lyndon LaRouche explained how globalization had “lowered the productive power of the world, per capita,” taking as an example the way that “we destroyed the

levels of productivity which existed, and standard of living in Mexico, and in South and Central America, while we put the employment there.”

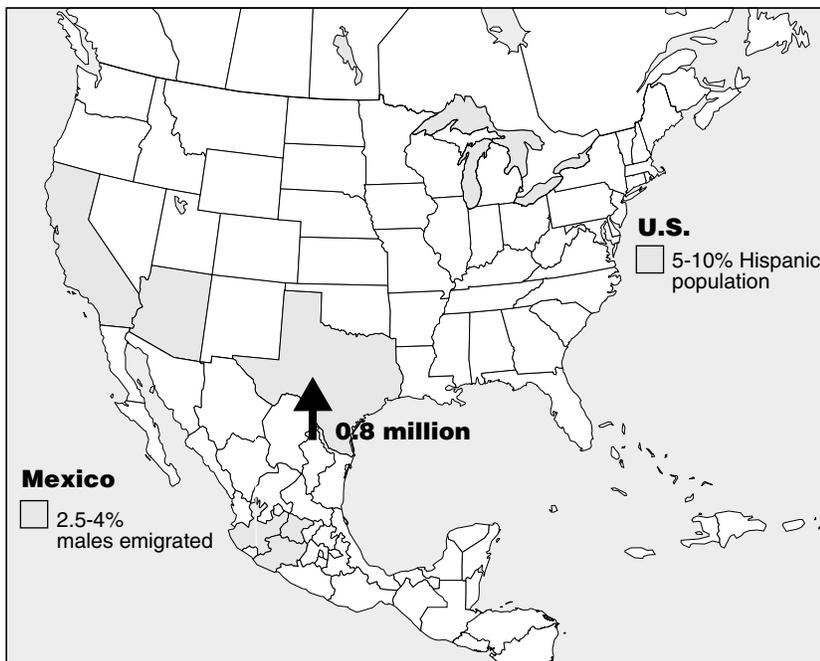
LaRouche continued:

“We couldn't get enough cheap labor in the United States, so we got Mexicans to be driven across the border—by hunger!—as illegal immigrants, into the United States. We took the jobs which cheap labor, brought into the United States legally, was doing, and we took the jobs away from them and gave it to immigrant labor—illegal immigrants! The illegal immigrants are coming to us, because they were driven from Mexico: They're coming to us, because somebody sucked them into the United States, because they weren't satisfied with the cheapness of labor here! Even with what had been the cheapest. That's what's been done to us.”

The Picture of Mexican Immigration

Nearly 11 million Mexicans have emigrated to the United States in the last 35 years. The flow began slowly, with less than 1 million living in the United States as of 1970. That number grew to 2.2 million by 1980, and then took off and reached 4.8 million in 1990, and 10 million by 2003 (see **Figures 1 and 2**). As of mid-2005, there were an estimated 11 million Mexi-

FIGURE 1
Emigration of Mexicans to the United States, as of 1970



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



President Franklin D. Roosevelt cooperated with Mexico to bring both nations out of the Depression—a model for the present day.



Mexican President Gen. Lázaro Cárdenas (1934-40) nationalized Mexico's oil and used it to industrialize the country, in cooperation with FDR.

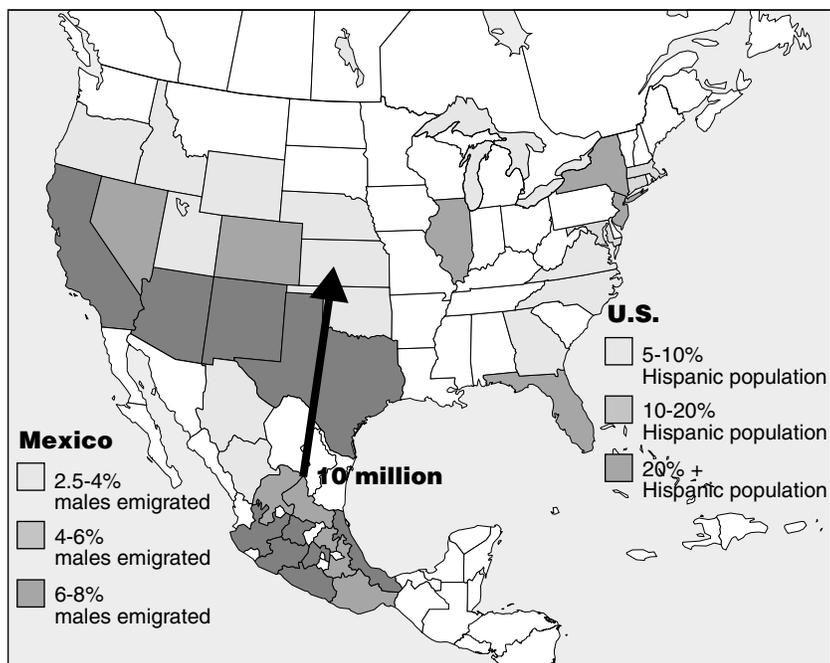
can-born individuals residing in the United States. They account for about 32% of all immigrants here—by far the largest country of origin for new immigrants.

Of these 11 million Mexican immigrants, about 6 million are “unauthorized”—that is, illegal—migrants, according to the most recent estimates published by the Pew Hispanic Center. In recent years, the proportion of illegals has risen even further, reaching about 85% of the annual migration today.

About 600,000 Mexicans enter the United States every year, and 500,000 of them are “unauthorized.”

There are some states in Mexico—especially in the impoverished center of the country—where nearly 10% of the entire male population has moved to the United States, according to official Mexican government statistics. On the U.S. side, the states with the highest proportion of Hispanic populations continue to be the four border states (Texas, New Mexico, Arizona, and California); but there are large and growing communities in the entire Western half of the United States, and along the Eastern seaboard.

FIGURE 2
Emigration of Mexicans to the United States, as of 2003



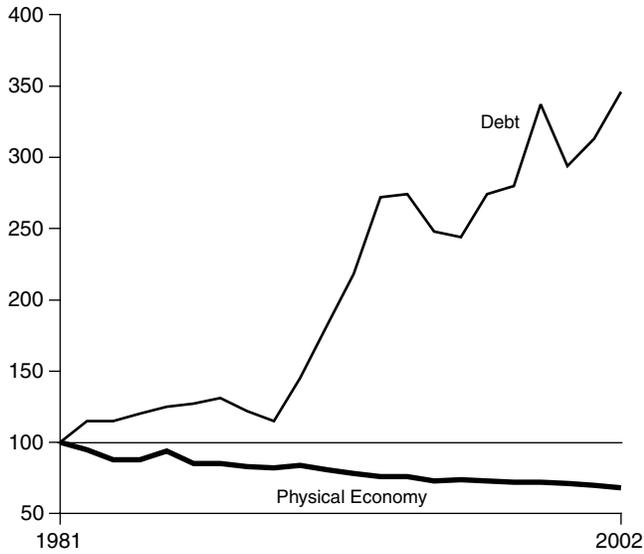
Sources: INEGI (Mexico); U.S. Census Bureau; EIR.

This immigration phenomenon has touched off a significant cross-border political crisis, featuring the racist rantings of Samuel Huntington—who avers that Mexican migrants are *the* major security threat to the United States—as well as the provocative deployment of the right-wing Minutemen militias in a number of U.S. border states, who are out to forcibly stop illegal immigration, in fascist *squadristi* style. (See William F. Wertz, Jr., “Huntington’s Synarchist Scenario Escalates on U.S.-Mexican Border,” *EIR*, June 24, 2005.)

But, *why* is this massive flow of immigrants coming into the United States, not only from Mexico, but from many other Ibero-American and Asian nations as well? What are the causes behind this phenomenon, which everyone readily perceives? This is the subject of a recent computer animation prepared by *EIR*, which can be viewed on www.larouchepub.com/animations and www.larouchepac.com.

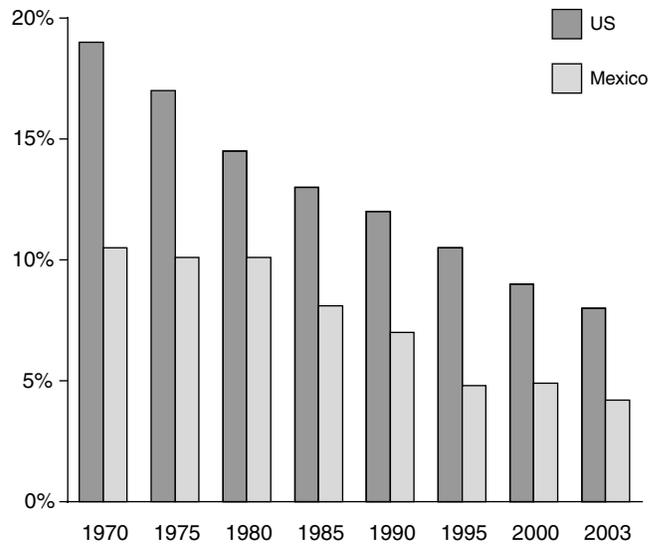
The underlying cause of the immigra-

FIGURE 3
Mexico's Foreign Debt and Physical Economy
 (Index 1981=100)



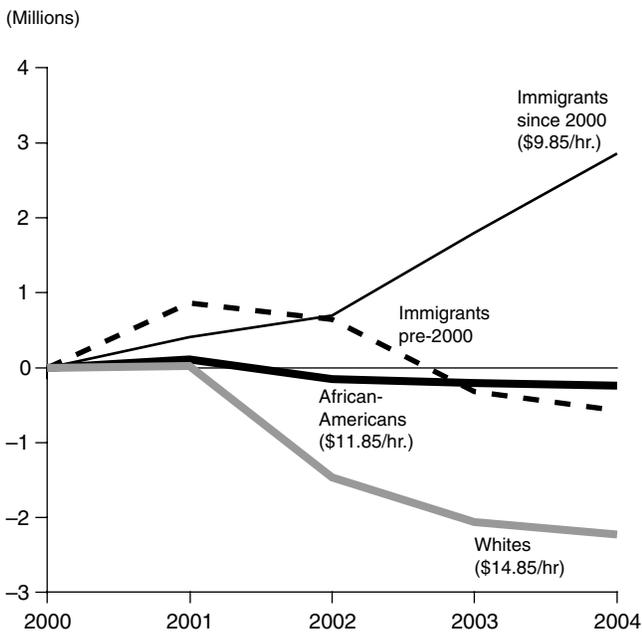
Sources: INEGI (Mexico); *EIR*.

FIGURE 4
Manufacturing Jobs As a Percentage of the Labor Force



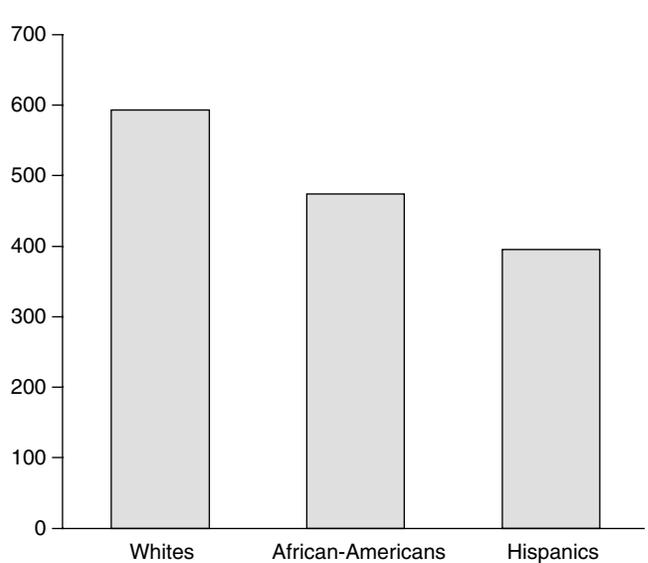
Sources: INEGI (Mexico); *EIR*.

FIGURE 5
U.S. Jobs, Cumulative Gain or Loss Since 2000
 (Millions)



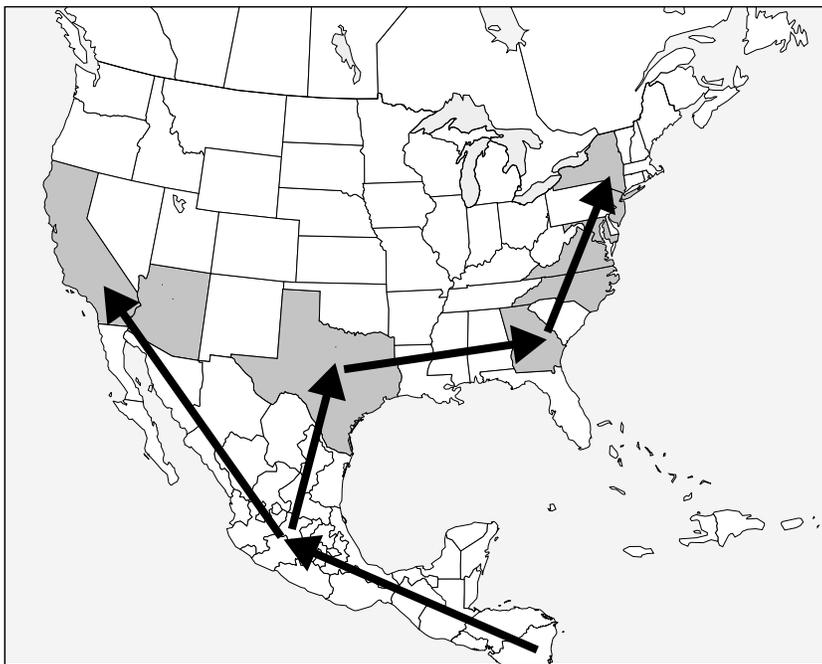
Sources: Center for Immigration Studies; U.S. Census Current Population Survey; *EIR*.

FIGURE 6
U.S. Median Weekly Wage Level, 2004
 (\$)



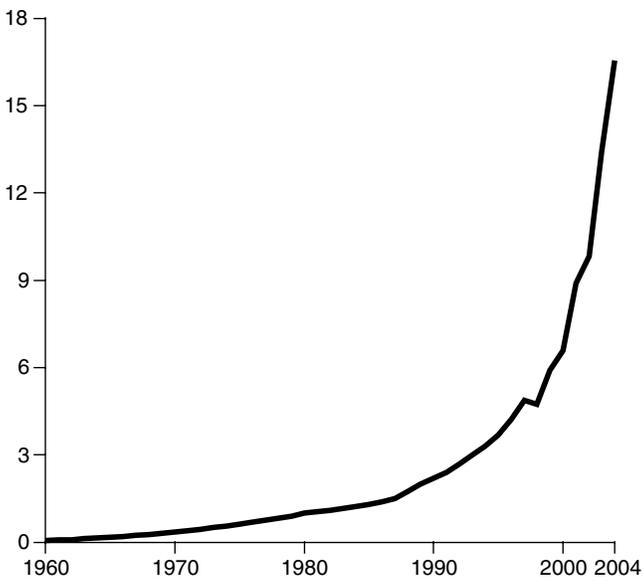
Source: Pew Hispanic Center.

FIGURE 7
62% of New Immigrants Were Hired in Nine U.S. States



Source: Center for Immigration Studies.

FIGURE 8
Mexico: Workers' Remittances from the U.S.
 (\$ Billions)



Source: Central Bank of Mexico.

tion flood is the collapse of Mexico's physical economy, under the free-trade policies of the International Monetary Fund and North American Free Trade Agreement (NAFTA). Beginning in 1982, with the imposition of IMF policies on Mexico, the country's production of a market-basket of producer and consumer goods (as measured by *EIR*'s standardized index of physical economic output), plunged from an index of 100 in 1981, to 68 in 2002—a one-third drop. During that same period, the country was looted through payments on its foreign debt, which rose from a total debt of \$78 billion in 1981, to \$270 billion in 2002, a 350% increase (see **Figure 3**).

Employment in Manufacturing

Mexico's economy has not always been in collapse.

During the middle decades of the 20th Century, industry and technology advanced in both the United States and Mexico. The policies of Franklin Delano Roosevelt pulled the United States out of the Great Depression, and built up a formidable economy, with strong investment in infrastructure and growth of the productive manufacturing workforce. FDR also cooperated extensively with the nation's neighbors in Ibero-America, including the government of Gen. Lázaro Cárdenas (1934-40) in Mexico, who nationalized Mexico's oil and used it to launch a process of industrialization in that country.

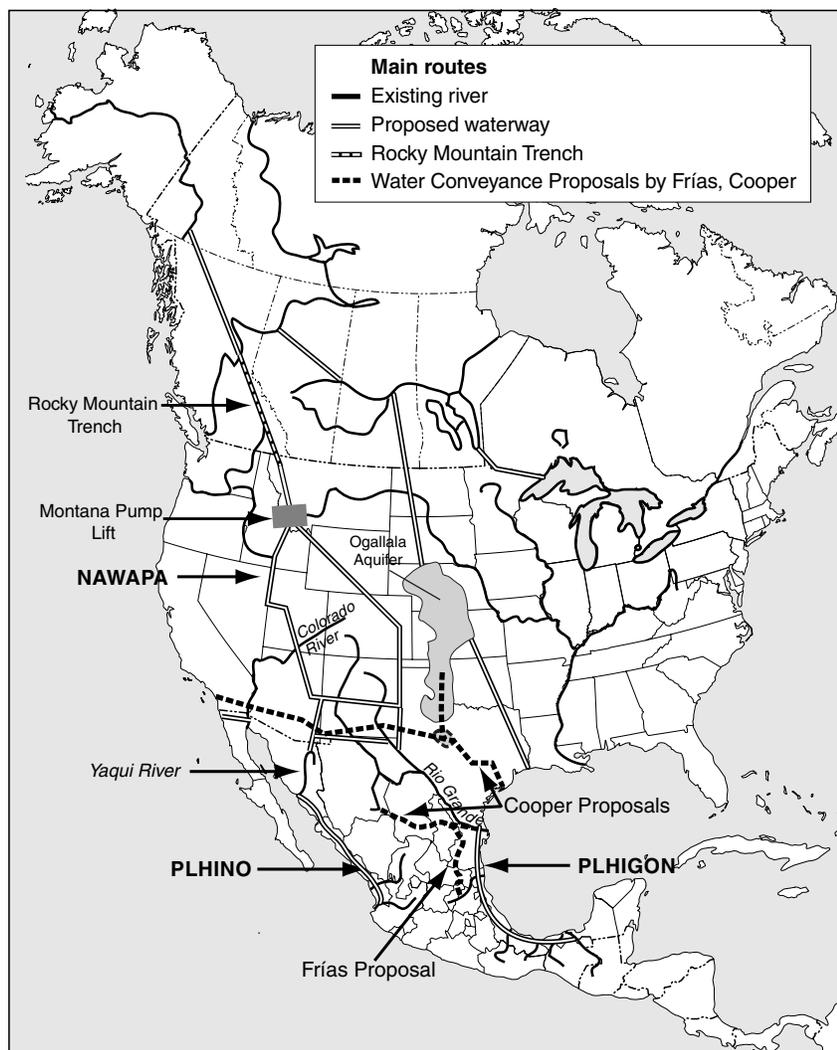
During this mid-century period, in both the United States and Mexico, manufacturing jobs increased as a percentage of the total labor force—a key indicator of a healthy economy. But then, post-industrial “globalization” and insane free-trade policies were introduced worldwide.

During this mid-century period, in both the United States and Mexico, manufacturing jobs increased as a percentage of the total labor force—a key indicator of a healthy economy. But then, post-industrial “globalization” and insane free-trade policies were introduced worldwide.

In Mexico, manufacturing employment as a percentage of the labor force held steady (at about 10%) from 1970 to 1980 (see **Figure 4**). But when IMF policies were imposed on the country in 1982, manufacturing employment plummeted to about 4% of the labor force over the next two decades—a 60% drop! This, and the resulting collapse of all areas of productive economic activity and employment, is the primary driver of the flood of emigrants desperate to leave Mexico, to find some livelihood for themselves and their families in the United States. Mexicans were driven into *hunger*, and then herded across the border.

But did these Mexican migrants then “steal” corresponding jobs in the United States, as populist folklore has it? Not at all. During this same period, U.S. manufacturing employment also dropped steadily, from 19% of the labor force in 1970, to less than 8% today—also a 60% drop, as

FIGURE 9
North America: 'NAWAPA-Plus'



Source: Parsons Company, *North American Water and Power Alliance Conceptual Study*, Dec. 7, 1964; Hal Cooper; Manuel Frías Alcaraz; EIR.

can be seen in **Figure 4**.

“But I heard there is job creation in the United States,” some readers might protest.

False. According to data provided by the Pew Hispanic Center, between 2000 and 2004 there was a net *loss* of 184,000 jobs nationally. In fact, the only group whose employment did increase in this period, was immigrants who arrived in the United States after 2000: There was a net loss among pre-2000 immigrants, African-Americans, and white workers (**Figure 5**). Significantly, the average wage paid to the newly arrived immigrants (\$9.85 per hour), is a full one-third lower than what established white workers receive (**Figure 6**). So, relatively higher-paying jobs were lost to

lower-paying jobs—a labor-recycling policy which German central banker Hjalmar Schacht made infamous in Nazi Germany.

Figure 7 shows the nine U.S. states where 62% of all new immigrants were hired. Perhaps surprisingly, these include not only the border states of Texas, Arizona, and California, but also Georgia, North Carolina, Virginia, Delaware, New Jersey, and New York.

These economic refugees send billions of dollars back to Mexico every year, in the form of wage remittances (**Figure 8**). In 2004, these remittances totalled a staggering \$16.6 billion—Mexico’s largest source of foreign exchange, with the exception of oil exports. This foreign exchange is then recycled to service Mexico’s large and growing foreign debt, while Mexicans continue to starve.

There is an alternative to the fascist free-trade policies which are destroying both Mexico and the United States, and which created the current immigration crisis as a by-product: LaRouche’s program for the joint U.S.-Mexico development of the Great American Desert, to be carried out in the spirit of the FDR-Cardenas cooperation of the middle of the 20th Century. One of the central features of that LaRouche plan for great infrastructure projects, is the construction of NAWAPA (North American Water and Power Alliance), which would bring enormous quantities of fresh water to the desert area which straddles the U.S.-Mexican border (**Figure 9**). LaRouche’s overall program would get both countries back on the track of industrial devel-

opment and lead to massive job creation in Mexico, thereby solving the immigration crisis in the only way possible.

These and other graphics are displayed as

ANIMATIONS

on our website:

www.larouchepub.com/animations