

# Mexico: from debt bomb to population bomb

by Carlos Cota Meza

Since the beginning of the 1970s, Mexico has been considered a “demographic enemy” of the oligarchical political forces which we know today as the proponents of globalization and free trade. This is made explicit in a U.S. National Security Council memorandum known as NSSM-200, issued in 1994 over the signature of Henry Kissinger, then serving as National Security Adviser for President Nixon in the United States.

Since then, sometimes under coercion and sometimes voluntarily, Mexico’s governments have applied Malthusian policies of population reduction, which have ravaged the population more than the ongoing criminal attacks by NATO in Kosovo or the demented “ethnic cleansing” being carried out by the Milosevic dictatorship against the Kosovars.

From 1982 onward, the imposition of International Monetary Fund (IMF) conditionalities, which subjected the Mexican economy to “restructuring” and “readjustment,” against the efforts to develop a national economy undertaken by previous governments, especially that of José López Portillo (1976-82), have been recognized as “government economic policies based on demography.” These demographic policies have caused such socio-economic destruction, that after nearly two decades of application, they threaten to trigger one of the most dangerous conflicts on the face of the Earth.

At the time of the López Portillo government, it was estimated that by the year 2000, the Mexican population would reach 100 million, but that figure wasn’t considered something to be feared. “Mexico’s demographic policy has established population growth goals from the year 1982 to the year 2000,” according to the official document *Demographic Mexico, 1978*. “By the year 1982, there will be a growth rate of 2.5% a year. By the end of the century, it is hoped that Mexico will reduce its rate to approximately that of 1% a year. . . . This means that there will be a population of 100 million. . . . The alternatives to a demographic goal of 1% [growth] by the year 2000 suggest that with a rate of 1.5%, there will be a population volume of 104 million, and of 109 million if 2% is reached by the end of the century.”

Despite all the government campaigns that have been run since 1982 against optimism regarding human nature, and which have fanatically insisted that Mexicans cannot reach 2000 with a population of 100 million, because this would lead to a mystical “end of the world,” it appears that we will be entering the new millennium with 103 million Mexicans.

FIGURE 1  
Mexico: a typical collapse function

(index 1981=0)



Sources: UN; FAO; ECLAC; World Bank; INEGI, Banxico, CONAPO, SEMIP, SARH, SHCP, SECOFI (Mexico); *EIR*.

The serious problem that we do face, is that the multilateral financial organizations, like the World Bank and IMF, do not recognize Mexicans’ existence as legitimate and, according to them, we should just disappear. To achieve this, from 1981 onward, they have systematically destroyed between one-third and one-half of the physical economy of Mexico, to the point that a decent living *can no longer be sustained* for 100 million Mexicans (**Figure 1**).

In 1995, the Ernesto Zedillo government unveiled its National Population Program, in which it projects the “existence” of Mexicans through the year 2030. Our passage through life, according to the Malthusian “gods” of Olympus, will take place in the following way:

From 1975-95, the number of children per fertile woman fell from 6.0 to 3.0, while the number of women of child-bearing age doubled. This collapse in fertility produced a narrowing of the population pyramid, equalling an accumulated reduction of nearly 27 million births during those two decades. Had that historic tendency continued, we would be starting the year 2000 with 132 million Mexicans.

The population group which most reflects this “reduction of fertility” is the pre-school age group (0-5 years), which, since 1985, has stayed constant at 13 million children. From 1992 onward, annual increases have begun to shrink until they are now zero. According to the National Council on Population (Conapo), an agency of the Interior Ministry, by the next century, Mexico “will need fewer pediatricians, fewer maternity wards, fewer daycare facilities, and fewer schools.”

The school-age population (6-14 years) follows the same

pattern of aggressive reduction that we see with the previous group. The highest annual increase reached for this segment of the population was 470,000 per year, but by 1995, growth was only 35,000 a year, with a decreasing tendency that will be negative by 2000.

The working age population (15-64 years) shows an accelerated growth rate. Between 1975 and 1980, the rate of annual growth of the working age population rose beyond 3.5%, to then stabilize at 2.5% a year. The working age population has historically had a growth rate superior to the rate of population growth overall. From 1988 to 1995, annual increases in this segment of the population were 1.4 million, and from 1995 to 2010, the annual increases will be more than 1.2 million.

The sector of the population over 65 years of age, while representing 4% of the total population, is also the sector which registers the highest growth rate, which has led the government to present the thesis of the “aging” of Mexican society as a positive thing, which makes it like the European societies of the “First World.”

### What if we count the living?

It is clear that Zedillo’s National Population Program is an accounting of the dead and unborn. And when it attempts to count the living, it considers them “undesirable existences.”

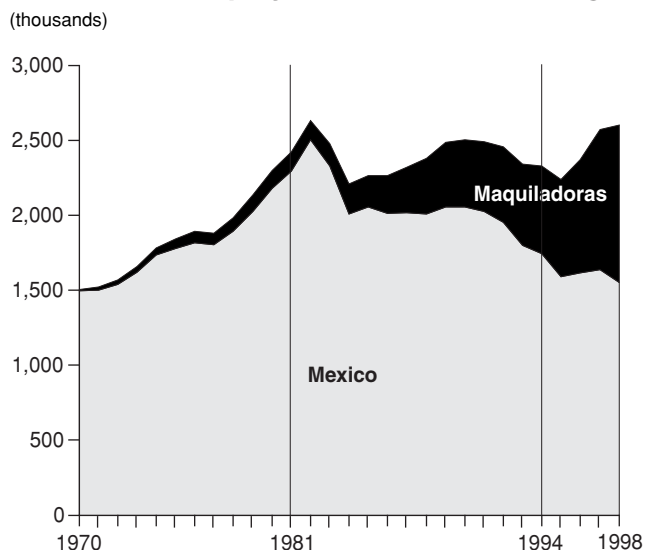
According to the projections of the Malthusians themselves, from 1988 onward, the working-age segment of the population will show the greatest relative growth, and therefore will require the greatest investment with regard to generation of manufacturing jobs, investment in infrastructure and services, and food production.

But since 1982, and in an accelerated way after 1988, when the Carlos Salinas de Gortari government was inaugurated together with the George Bush government in the United States, precisely the opposite occurred. The Mexican economy was bombarded with the IMF’s “free-market” policies, with the General Agreement on Tariffs and Trade (GATT), and finally with Salinas’s and Bush’s North American Free Trade Agreement (NAFTA), destroying entire sections of the economy, and raising real unemployment rates to historic levels of nearly 50%. This economic policy is what has created the “population bomb” that is now on the verge of exploding, given that the economy has been left without the ability to sustain the population, already reduced by “demographic policies.”

As we have analyzed in previous studies on the Mexican economy published by *EIR*, this level of real unemployment has meant the creation, over 17 years, of an army of unemployed of more than 16 million, which has virtually turned an entire sector of the population into nomads both within and outside the national economy.

As can be seen in **Figure 2**, while the employment in national manufacturing has fallen by one-third, going from 2,293,000 at its high point in 1981 to approximately 1,550,000 in 1998, in the *maquiladoras* (foreign-owned assembly plants) during this same period, employment rose from

FIGURE 2  
**Mexico: real employment in manufacturing**



Sources: INEGI (Mexico); *EIR*.

131,000 to 1,050,000 workers in 1998.

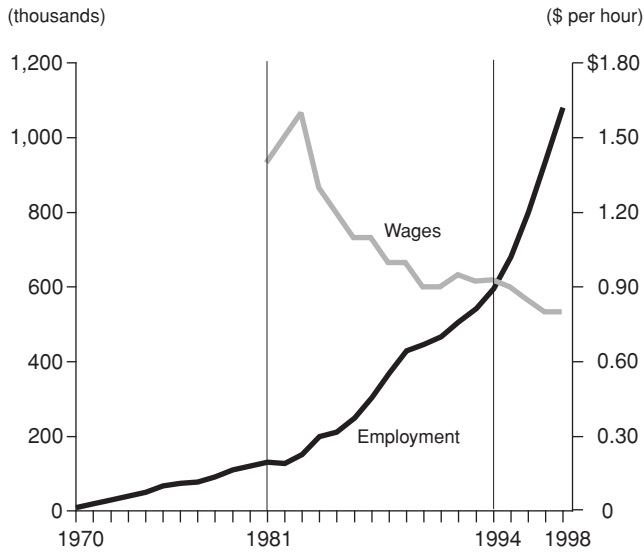
It is important to remember that the *maquiladora* sector, in real physical-economic terms, does not form a part of the national Mexican economy. It is a foreign enclave of globalization, located on Mexican territory. Every Mexican employed at a *maquiladora* does so out of desperation, due to the urgency of finding an income, any income, to feed his or her family. Living conditions for the *maquiladora* worker and his or her family, is of truly extreme poverty. As can be seen in **Figure 3**, while employment in this sector has increased, the wages have decreased, down to a mere 80¢ an hour. For every million “formal” jobs in the *maquiladoras*, there are “indirect” jobs (the majority of them, “informal”) for some 3.5 million more Mexicans, thus generating a totally dependent and impoverished sector of the population, which can be found concentrated along the border with the United States, which is where 80% of the *maquiladoras* in Mexico are located.

This inability of the national economy to sustain its own population, under the dictates of free trade and globalization, also shows up in food production. **Figures 4, 5, and 6** show the production levels for three staples in the Mexican diet. Measured in kilograms per capita, the production declines in bean, corn, and wheat production between 1981 and 1994 dramatically increased after the “rescue” of the Mexican debt in 1994-95. The result is that, between 1981 and 1998, per-capita production of beans fell 67%, of corn 20%, and of wheat 30%.

### Mexican population shrinks

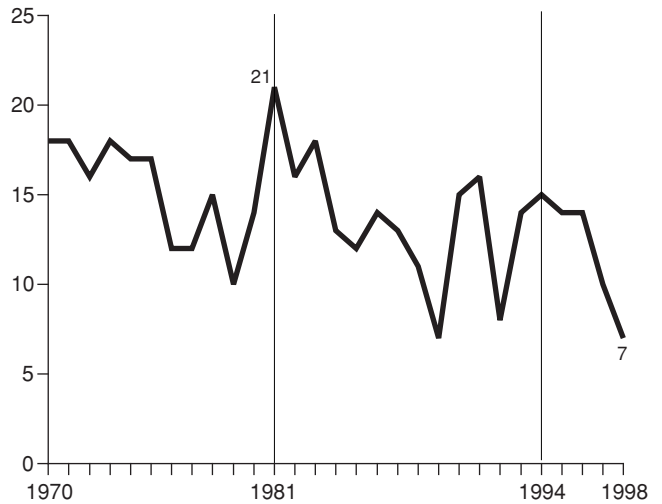
These realities have even begun to affect the absurdly optimistic official projections on Mexico’s future. According to a study by the Social Development Ministry (Sedesol),

FIGURE 3  
**Mexico: maquiladora employment and wages**



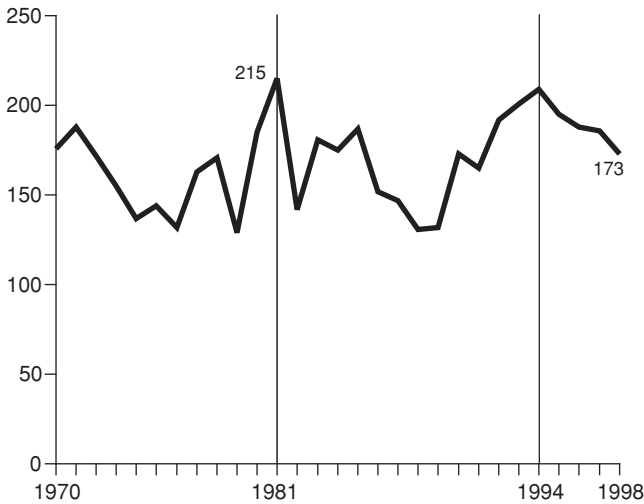
Sources: INEGI (Mexico); *EIR*.

FIGURE 4  
**Mexico: bean production**  
 (kilograms per capita)



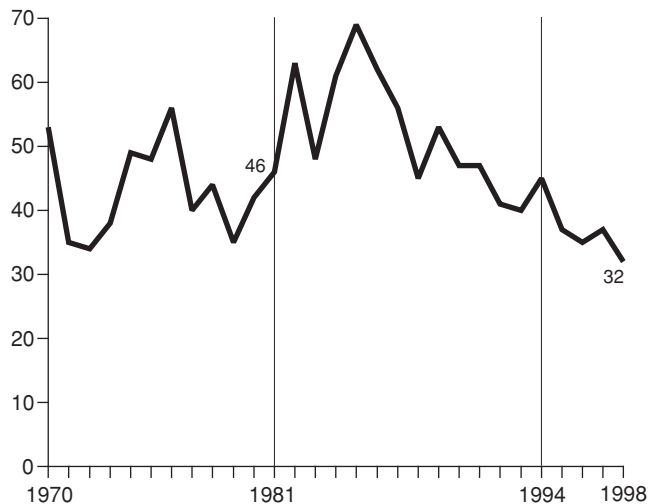
Sources: FAO; SARH, INEGI, Banxico (Mexico); *EIR*.

FIGURE 5  
**Mexico: corn production**  
 (kilograms per capita)



Sources: FAO; SARH, INEGI, Banxico (Mexico); *EIR*.

FIGURE 6  
**Mexico: wheat production**  
 (kilograms per capita)



Sources: FAO; SARH, INEGI, Banxico (Mexico); *EIR*.

there are “three Mexicos” at the end of this century. The first is dubbed the “modern and exporting Mexico,” linked to the international markets and including some 23 million of Mexico’s 98 million population. This “modern Mexico” includes the million or so *maquiladora* slave laborers, and the 3.5

million floating population generated around this.

The “second Mexico” is the traditional one, of industry, agriculture, and services. This “Mexico,” where, according to the government, 49 million Mexicans live, is the one created under a system that seeks progress through a protected na-

tional economy. Although Sedesol doesn't admit it, the IMF's restructurings since 1982 have sought the disappearance of this traditional sector. Under NAFTA, over the past five years, this sector has indeed been driven down the road toward extinction.

The "third Mexico" includes 26 million Mexicans living in abject poverty, without links to any market, be it national or international. For this sector of the population, the Mexican government conducts 57 assistance programs under the rubric of "combatting poverty," which consistently fail to address the root of the problem.

Interrelations among these "three Mexicos" reveal the weakest links of the chain, through which the population bomb could explode at any time. The "second Mexico" is the national economy destroyed by globalism, which until 1981 incorporated segments of the "Third Mexico," which was seen as marginalized within an otherwise developing economy. The so-called "modern Mexico" is simply the overexploitation by the *maquiladoras* of the unemployed labor of "traditional" Mexico.

According to the Program on Education, Health, and Food (Progresa, one of the 57 assistance programs), of the 26 million Mexicans living in extreme poverty (one-fourth of Mexico's total population), some 13 million people (about 2.3 million families) show even more severe levels of impoverishment than the group as a whole.

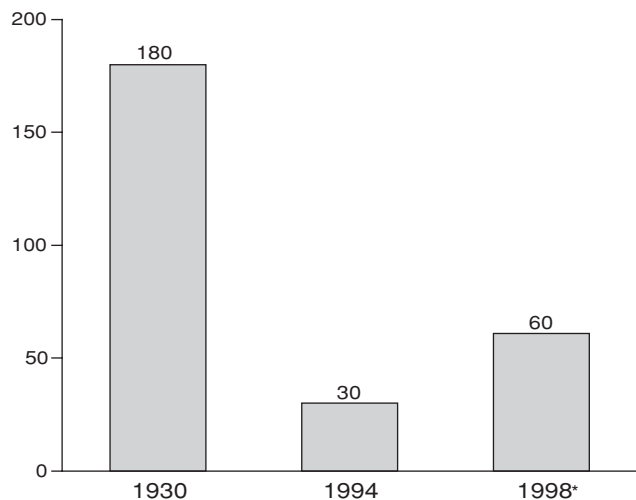
In this extremely poor sector, the mortality rate for children under one year of age is 60 per thousand live births in the rural area; among the extremely impoverished in the urban areas, infant mortality is 35 per thousand live births. However, the National Population Program indicates that "in 1930, 18% of newborns died before their first birthday; in 1994, this figure was only 3%." This contrast means that among the poorest 25% of the Mexican population today, there exist Africa-style conditions, with infant mortality rates that haven't been seen in the Mexican economy for decades (see **Figure 7**).

The shrinking of the Mexican population and the free-trade destruction of its economy has provoked larger waves of migrant population than the refugees displaced by NATO's criminal war in Kosovo, and by Milosevic's genocidal "ethnic cleansing."

The documented—and undocumented—emigration of Mexicans to the United States increased rapidly starting in the 1970s. In 1970, there were some 1.4 million Mexicans residing in the United States. In 1980, somewhat more than 2.5 million lived across the border, and in 1990 that figure reached 4.5 million. By 1995, that figure equalled 5.4% of the total population of Mexico for that year. But this doesn't include the undocumented population. Because of its clandestine nature, it is difficult to establish how much of the Mexican population lives illegally in the United States. However, the U.S. Immigration and Naturalization Service reports that there as many as 2 million illegal border crossings every year.

FIGURE 7  
**Mexico: infant mortality**

(deaths per thousand)



\*rural, extremely poor  
Source: National Population Program (Mexico).

Meanwhile, the United Nations has described the U.S.-Mexican border as "the world's largest economic migration phenomenon." The dollar-transfers from the United States to Mexico, from legal and illegal residents alike, add up to \$6 billion a year (not including money laundering). The purchase of used cars in the United States which are then brought to Mexico, which was partially legalized as of 1986, now adds up to a cumulative value of \$2 billion. The majority of this revenue goes back into the so-called "informal economy," which was created by free-trade policies, with the destruction of the national economy.

### How about a 'little' population war?

No one denies that the migration stems from the economic crisis, caused by the policies of the international financial organizations. In the United States, Mexican emigration has already led to racist, police-state legislation like the Simpson-Rodino Act, and Proposition 187 of former California governor Pete Wilson, whose contents can be compared to Milosevic's "ethnic cleansing" policies.

The same racists of the British-American-Commonwealth oligarchy who, with their free-trade policies, have destroyed the Mexican national economy, now present Mexican population growth as a grave threat to the national security of the United States, to such a degree that Mexico and its population are viewed by some as the primary military threat to the United States in the 21st century.

The anglophile Sir Caspar Weinberger, U.S. Secretary of Defense during the Reagan administration, proposed in his book *The Next War*, a scenario of war between the United

States and Mexico, which would break out in the year 2003, because the U.S. would be forced to invade Mexico in response to a government classified as an “enemy of democracy.”

Far-fetched? Not really. According to the New York Council on Foreign Relations’ magazine *Foreign Affairs* (January-February 1999), Mexico is on the verge of civil war which, among other things, would let loose a flood of illegal immigrants, thus posing a conflict on the border. To respond to this conflict, the Eastern Establishment’s policy magazine proposes that Washington consider “plans to shut the border” and the possibility of an “American intervention” in Mexico.

If someone wants to hypocritically talk about genocide, to justify NATO’s intervention in the Balkans, let that person look at the demographic “Balkanization” the IMF has created in Mexico, representing genocide against a fourth of its population, and the legal and illegal emigration of nearly 10% of its population, not to mention the destruction of its manufacturing and agriculture. If military intervention in Yugoslavia truly were justified as a defense of “human rights,” then Mexico would have every right to demand that the army of the United States bomb the offices of the International Monetary Fund in Washington, D.C.

## Who created the crisis in Yugoslavia, and why

In a nationally televised Presidential campaign broadcast on Oct. 31, 1988, titled “The Winter of Our Discontent,” Lyndon H. LaRouche, Jr. warned of the danger of world war developing once again in what was then still federated Yugoslavia. In the context of the spring 1988 power grab in Moscow by KGB and military hardliners, and the worsening economic crisis in the Soviet Union, LaRouche saw the danger as coming primarily from a potential Warsaw Pact military move into Romania, with a resulting partition of Yugoslavia, in which Serbia, Montenegro, and Macedonia would come under Moscow’s military protection.

As the crisis in the Soviet bloc deepened, leading to the fall of the Berlin Wall in November 1989, and the collapse of Mikhail Gorbachov’s Communist regime in August 1991, events developed at a breath-taking pace. LaRouche details in the campaign statement published on page 68 in this issue, and in the box on page 5, how the British-American-Commonwealth factional grouping launched a geopolitical strategy that would destroy the sovereignty of Germany, and dismember the Soviet Union and its allies. The International Monetary Fund, professors from the London School of Economics, Harvard flea-market economist Jeffrey Sachs, and

other so-called reformers swarmed into Poland, Yugoslavia, and Russia. It was these policies, including the shock therapy of the IMF, that led to the break-up of Yugoslavia and the brutal wars there.

We publish here excerpts from *EIR*’s coverage and statements by LaRouche, which prove the case beyond any shadow of a doubt.

On the other side, however, there existed the potential for Europe — including Yugoslavia — to adopt LaRouche’s “Productive Triangle” program for Eurasian development. See the item by Paolo Raimondi, below.

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### **Konstantin George, “Yugoslavia Caught Between the IMF and Moscow,” *EIR*, May 27, 1988:**

Yugoslavia’s worst postwar crisis has begun. The gravity of the situation was underscored, when, for the first time since 1945, the deputies of two republics, Slovenia and Croatia, during the May 14-15 weekend session of parliament, threatened a vote of no confidence against Prime Minister Branko Mikulic.

The geography of the revolt reflects the looting chain behind the Yugoslav crisis. Yugoslavia has been bled white by its Western creditors and the International Monetary Fund (IMF) on the one hand, and by Soviet looting, on the other. Belgrade, so far, has continued to acquiesce in disastrous IMF-dictated austerity programs, causing an overall collapse in Yugoslav living standards.

It is the austerity policy that has exacerbated centrifugal tendencies in Slovenia and Croatia, the two westernmost republics of the six that comprise Yugoslavia. Not that those two republics have suffered the most from IMF looting. Quite the contrary. IMF looting policies have rather gutted the poorer central and eastern regions of the country (the republics of Bosnia, Serbia, Montenegro, and Macedonia), widening the gap between these four and the far more westernized Slovenia and Croatia.

To prevent social explosions in the poorer eastern regions of the country, above all in Serbia, which contains nearly half of Yugoslavia’s population, Belgrade has increased its *internal* looting of Slovenia and Croatia, to “subsidize” the rest of the nation. This dynamic is the underlying cause for the revolt by Slovenia and Croatia. . . .

Parliament as a whole issued a slap in the face to the government by refusing to approve Mikulic’s two-year interim report on the economy. The same parliament, however, did pass a new round of austerity measures, scheduled to take effect by the end of May, whose “success” will ensure a still more profound long-term political destabilization of Yugoslavia.

Mass unrest is now on the agenda. Under the new program, wages will be cut by 20%, and the price freeze, imposed last November, will be lifted on 60% of all items. The price