Dear Brian Lamb,

I love C-Span because you learn where people are coming from. I hate C-Span because so many Washington Journalists and other guest from inside the beltway haven't a clue.

I know you haven't the money to fly people in for your call-ins guests. You are limited - but I ask again. Couldn't you invite written comment from outside the beltway and from thoughtful sources outside? Beltway people "all know it's so because they all say it's so". (Kipling)

A case in point. Beltway folks all know we are a nation of immigrants. Wrong! We are a nation of <u>illegal</u> immigrants. The difference is vast. Times have changed.

(over)

Illegals have phony documents and work for minimum. This qualifies them for food stamps, health care, rent subsidies, education and too often prison care,. too often welfare, and prenatal care - - lots of prenatal care.) (In Mexico it is culturally acceptable to bear children even if you can not care for them) Why, Brian, do you think the average age in Mexico is just under 15 years and people will work for starvation wages? Even Youngsters work for starvation wages. They have to work for starvation wages really.

The American workers including Mexican Americans here in California ~~to~~ are really - but really - stressed out. They don't just fear NAFTA - ~~they~~ each knows their family is on the edge. They are paying the bill for illegals too. It's a fact! NAFTA will push them over the edge. It is not an unfounded fear.

~~And~~ Fast track NAFTA will not deter illegal immigration. The free benefits their low wages qualify ~~them~~ illegals for ~~plus in and~~ here are far better than they can do in Mexico. All of Central America fits this scenario and many illegals come from countries with equal or worse average age conditions and cultural norms. i.e. Salvador

sorry

And Brian - illegals don't get health screening. A local highschool has 7 reported cases of a drug resistant TB strain from asia this ~~last~~ 1993 year. Our local county health people are sounding alarm bells from their underfunded, over-worked stations. But who inside the "know it all" beltway is listening? They are truly ignorant!

Please Brian C-Span has to try harder.

Sincerly,

[redacted] Garden Grove, Ca. 92643

(P.S - See other side)

P.S. Yes I know C-Span ties into talk shows outside the beltway. And that is good. But these voice are expressing frustration and often sound ignorant. My plea is for logic that can lead to problem solving.

The talk show voices only increase the smugness of the Beltway crowd from whom all the blessings of knowledge ~~flows~~.

S.P.S. I love Booknotes. No complains!

The 'Sticker Price' Doesn't Add Up

The new U.S. jobs promise is based on bizarre math and blind optimism about Mexicans' purchasing power.

By HARLEY SHAIKEN

Proponents of the North American Free Trade Agreement argue that this accord will open a vast new market to U.S. firms and create hundreds of thousands of U.S. jobs in the process. Much of this argument is based on two misleading statistics: 700,000 U.S. jobs depend on exports to Mexico, and the average Mexican purchases $450 of U.S goods a year.

Where does the 700,000 figure come from? The Commerce Department says that each $1 billion in exports supports 17,000 U.S. jobs. Multiply 17,000 by $40.6 billion, the amount of U.S. exports to Mexico last year: The implication is that 700,000 U.S. workers are employed feeding a Mexican consumer market.

The reality is far different. Most of these jobs are producing products for the U.S. market; they only "visit" Mexico for further processing. Since Mexican consumers never see these products, Mexico serves more as an export platform than a consumer market.

Let's examine this job creation estimate by using Mexican government data, which last year showed U.S. exports to Mexico of $44.2 billion—higher than the U.S. government's numbers—translating into about 750,000 U.S. jobs. However, $14 billion of these exports are parts shipped from U.S. plants to Mexican export assembly plants—*maquiladoras*—and then immediately back to the States. These transactions account for about 240,000 jobs, almost one-third of the total.

Many other Mexican factories, such as auto engine plants, export to the United States but are not formally designated maquiladoras. These firms operate under a new Mexican government program called PITEX, the Spanish acronym for Temporary Import Permits for Export Products, which accounts for at least $7 billion more of U.S. exports to Mexico. This means an additional 120,000 U.S. jobs not related to the Mexican market, although this figure is undoubtedly low since many firms do not register under this program.

Another $6.6 billion in U.S. exports is capital goods—robots, lathes, computers—that in many cases will build products for export back to the United States. These goods involve 112,000 American jobs; if half result in products coming into the United States, then another 56,000 jobs have little to do with the Mexican consumer market.

At most, about 330,000 U.S. jobs supply the Mexican market itself.

The accounting behind the U.S. job "creation" numbers is bizarre. Example: When Smith Corona moved its typewriter plant from upstate New York to Tijuana, 850 U.S. jobs were eliminated. Let's say 2,000 workers at supplier plants produced parts for the New York facility. When these parts are shipped to Tijuana, the workers are reclassified as jobs "created" in support of the Mexican market. The loss of 850 jobs magically becomes a gain of 2,000.

Many more U.S. jobs have moved to Mexico than the 300,000 or so supplying the Mexican market. Overall, $1 billion in Mexican exports creates far more than 17,000 jobs. The maquiladoras last year, for example, produced $4.7 billion of value in Mexico and generated more than 500,000 jobs—that's 106,000 jobs per $1 billion of exports. This alone, without the rest of Mexico's export sector, dwarfs the number of U.S. jobs that actually produce goods for Mexico.

These numbers underscore Mexico's role as an export platform. Mexico is an excellent place to site a plant, since productivity and quality in new factories are often at U.S. levels, but it is a far less robust consumer market than is often portrayed. The tragic contradiction for both Mexico and the United States is that Mexicans who make televisions, autos and computers for Americans won't be buying these goods themselves. The average wage for Mexican maquiladora workers is about $1.15 an hour. At this rate, it would take about 6½ years of nonstop work for a maquiladora worker to buy a Ford Taurus—provided the worker doesn't eat.

How then does the average Mexican purchase $450 worth of U.S. goods a year? The answer is that the average Mexican doesn't. This figure is derived by dividing Mexico's total population into total U.S. exports to Mexico. If General Motors builds a factory in Matamoros, all of whose production is shipped back here, the import of new robots and computers by that factory counts as a "purchase" by Mexicans.

Increased trade with Mexico could bring real benefits to all countries in North America, but two very different kinds of trade are possible. One creates a low-wage export platform that throttles purchasing power in Mexico and threatens jobs in the U.S. The other approach would seek to expand purchasing power and the Mexican market to the benefit of people in both countries. NAFTA, with its weak labor side accords, does little to encourage Mexico to move in the direction of higher wages. A combination of government policies and lack of labor rights serves to artificially depress wages and, therefore, purchasing power, despite rising productivity. This kind of trade comes at the expense of Mexican workers and the middle class in the United States.

Harley Shaiken is a visiting professor at UC Berkeley and the author of two books on industry in Mexico.

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