

U.S.-China Cooperation with Mexico Is Key to the Migrant Crisis

by Dennis Small

June 28—After marathon negotiations in Washington, D.C. from June 5-7, cabinet-level representatives of the governments of the United States and Mexico emerged to announce that they had reached an agreement on the issues of migration and trade, which had reached a crisis point between the two countries. The accord did defuse the immediate threat by President Donald Trump to impose a 5% tariff on all Mexican exports to the U.S. beginning June 10, which would escalate monthly up to a 25% level unless and until “the illegal migration crisis is alleviated through effective actions taken by Mexico.” The deal also reiterated the agreement reached on Dec. 18, 2018 between President Trump and Mexican President Andrés Manuel López Obrador (AMLO) that “both countries recognize the strong links between promoting development and economic growth” in Mexico and Central America and solving the migration crisis.

But the announced agreement in reality did little more than dodge the bullet this time around, without addressing—let alone solving—the underlying issues of both trade and migration. Fundamental misconceptions about those issues, and about physical economy more broadly, continue to exist on both sides of the border—as they do on the related question of China’s necessary participation, along with the United States, in the economic development of the region. Unless they are addressed and resolved, those misconceptions will remain as festering sores which Wall Street and other British-run financial interests can and will exploit in their efforts to prevent the emergence of a global alternative to their bankrupt financial system. They will also try to use those misconceptions to feed their unquenched drive to overthrow the Trump government in Washington, as part of that strategic thrust to prevent the emergence of a new system.

In the Spirit of Lincoln and Juárez

On May 30, President Trump tweeted his surprise announcement about slapping tariffs on Mexican exports to the U.S. as the flood of illegal migrants stopped at the U.S.-Mexican border reached the historic level of 144,000 for the month of May. A follow-up White House statement asserted that the crisis at the border is due to “Mexico’s passive cooperation in allowing this mass incursion” of largely Central Americans, and that “Mexico could quickly and easily stop illegal aliens from coming through its southern border with Guate-



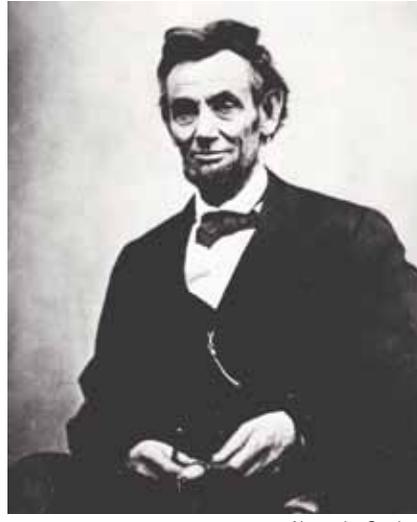
President of Mexico, Andrés Manuel López Obrador.

mala.” In subsequent tweets Trump also stated that “the Tariff is about stopping drugs as well as illegals,” placing the blame for that on Mexico’s doorstep as well.

The Mexican government of Andrés Manuel López Obrador was especially unhappy with Trump’s announcement, because it came as a rebuff, just a few days after Mexico’s Foreign Minister Marcelo Ebrard had presented to the Trump administration a Mexican proposal to address the migration and drug problems through cooperative economic development in southern Mexico and northern Central America—a proposal that goes in the right direction for a solution, which Trump’s tariff approach definitely does not.



Benito Juárez, President of Mexico (1858-1872).



Abraham Lincoln, President of the United States (1861-1865)

Alexander Gardner

AMLO quickly responded to Trump's May 30 statement with an open letter to the U.S. President, which began: "From the outset, let me state that I do not want a confrontation," adding that the two countries should instead always "appeal to dialogue and act prudently and responsibly." He then gave examples:

The best president of Mexico, Benito Juárez, maintained excellent relations with the great Republican [President] Abraham Lincoln. Later, during our petroleum expropriation, Democratic President Franklin D. Roosevelt understood the profound reasons that led the patriotic President Lázaro Cárdenas to act on behalf of our sovereignty.

It is notable that *EIR* founder Lyndon LaRouche also repeatedly cited these two cases as exemplary of what U.S.-Mexican relations should be, as elaborated in his 1982 [book](#), *Operation Juárez*. In his letter, AMLO then went on to cite FDR's famous Four Freedoms as an example of the universal values all nations share. On the matter of migration, AMLO continued:

Human beings don't abandon their own people out of choice, but out of necessity. That is why, from the beginning of my government, I proposed to you to choose cooperation for development to help Central American nations, with productive investments to create employment

and solve the underlying painful problem... President Trump, social problems aren't resolved with taxes or coercive measures.

AMLO signed the letter, "Your friend."

A Positive Spirit

The ensuing June 5-7 negotiations reflected a positive spirit on both sides. AMLO subsequently commented that "I have to recognize that Trump has shown a willingness to reach agreements," and that the agreement they came to was a "good one." The joint declaration issued on June 7 summarized the results, including the following:

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- "Both countries recognize the vital importance of rapidly resolving the humanitarian emergency and security situation" at the border, and "the Governments of the United States and Mexico will work together to immediately implement a durable solution..."
- Mexico will take "unprecedented steps to increase enforcement to curb irregular migration, to include the deployment of its National Guard throughout Mexico, giving priority to its southern border. Mexico is also taking decisive action to dismantle human smuggling and trafficking organizations as well as their illicit financial and transportation networks..."
- "The United States will immediately expand the implementation of the existing Migrant Protection Protocols across its entire southern border. This means that those crossing the U.S. southern border to seek asylum will be rapidly returned to Mexico where they may await the adjudication of their asylum claims. In response, Mexico will authorize the entrance of all of those individuals for humanitarian reasons, in compliance with its international obligations, while they await the adjudication of their asylum claims. Mexico will also offer jobs, healthcare and education according to its principles."

The two sides also agreed to meet within 90 days to evaluate progress achieved, with Trump explicitly stating that he reserves the right to slap on tariffs at that point if he doesn't like where things stand.

Since the signing of the accord, Mexico has been

actively organizing for the joint development approach in southern Mexico and Central America's Northern Triangle that was agreed to. At a June 21 press conference, AMLO announced that the Comprehensive Development Plan for Central America and Southern Mexico was moving forward.

A working group is in place with representatives of El Salvador, Guatemala and Honduras; and Mexico has signed a bilateral accord with El Salvador's new President Najim Bukele, by which Mexico will provide \$100 million to promote a "Sowing Life" reforestation program in that country, with the goal of providing 20,000 jobs to poor Salvadorans. Foreign Minister Ebrard reported on June 13 that the deal signed with Washington included a commitment to provide \$5.8 billion for Central American development projects and \$2 billion more for southern Mexico, but Washington has yet to confirm that. "We're of course going to invite the U.S." to keep its commitment, Ebrard stated.

The Actual Trade Issue: the Importer of Last Resort

A resumption of Trump's tariff threat against Mexico would be a mistake—just as the initial idea of hitting the country with tariffs was misguided, and would have backfired. Here's why.

In 2018, Mexico exported \$346.5 billion in goods to the United States and imported \$265 billion from the U.S., for a surplus of about \$82 billion, according to official statistics provided by the Office of the U.S. Trade Representative. Of Mexico's exports to the U.S., a whopping \$280 billion—81% of the total—came from the *maquiladora* sweatshops located in Mexico along the border with the United States, run mainly by U.S., Chinese, Japanese and other non-Mexican owned companies. If a 10-25% tariff were imposed on all exports from Mexico to the U.S., over 80% would simply hit re-exports of the *maquiladoras* back into the U.S.—which would amount to shooting the U.S. and other companies themselves in the foot, which is one reason that Trump's threat led to howls of protest from many



wikipedia

A maquiladora in Mexico in 2007.

American corporations.

As *EIR* has documented for decades, these *maquiladora* in-bond assembly plants import raw materials and parts principally from the U.S.; use cheap Mexican labor (principally young women), cheap Mexican electricity, and cheap Mexican water to assemble the products; and then re-export the finished products back to the United States.

Lyndon LaRouche described this *maquiladora* looting process, designed by Wall Street and the City of London, and fortified and codified under the North American Free Trade Agreement (NAFTA), as an "Auschwitz south of the border," which both destroyed U.S. manufacturing jobs and decent wages, and also wrecked the Mexican economy at the same time. The *maquiladoras* operate as a virtual foreign enclave on Mexican soil, while employing two out of every ten employed Mexicans.

Under this system, Mexico's principal exports to the U.S. are autos and auto parts (\$93 billion); electrical appliances and equipment (\$64 billion); agricultural products (\$26 billion); and only after that comes oil (\$16 billion). And under this system, the U.S. has been converted into "the importer of last resort," as LaRouche put it in an *EIR* study he commissioned back in 2001: "Look at the resort to virtual slave-labor operations, abroad, to export productive employment from the United States (and also western Europe) into regions where the price of labor is relatively the cheapest, and

relative skills most marginal.” In the intervening 18 years, things have gotten far worse. Excerpts from the 2001 study follow this article.

British Free Trade Is the Succubus

President Trump is right that the U.S. is being victimized and is running a persistent trade deficit, not only with Mexico, but also with China and most of the world. But that will not be solved by imposing punitive tariffs in any of these cases, because that trade pattern is the intentional result of the entire British system of free trade and globalization that was imposed with the 1971 demise of the Bretton Woods system. It can only be rectified by changing that entire system, and establishing a New Bretton Woods of the sort specified in detail by Lyndon LaRouche, with the boom in skilled, productive employment that would accompany it—on both sides of the border.

We have to rethink the entire approach to trade policy, from the ground up. As Lyndon LaRouche has shown, world trade today is simply a determined component of the entire, rigged global system of British free trade and globalization and its \$1.5 quadrillion speculative bubble. To wit: under the British system, the United States economy has been driven to stop producing industrial and manufacturing goods, and to be the importer of last resort for low-wage producing nations around the planet, who export their hearts out, including food, raw materials, and other products, leaving their nations totally destitute. They do this as part of a “global supply chain,” as it has come to be called, which over time has reduced the overall technological and energy-flux density level of the total global economy.

The export revenues of the low-wage producing countries are in turn used toward paying down their un-

payable foreign debt and other foreign obligations. As part of this British imperial scheme, the United States offsets its huge and growing trade deficit of goods, with a surplus on the services account, which means primarily financial and insurance services. It also offsets the trade deficit with a large and growing capital account surplus, which means sucking in huge volumes of financial capital into Wall Street to feed the cancerous \$1.5 quadrillion financial bubble.

But it simply will not work to try to balance America’s trade account from the standpoint of win-lose trade negotiations and tariffs within the current, rigged global financial and monetary system. That approach will only accelerate confrontation, lead to what LaRouche called “the demise of an importer of last resort,” and have its trade effects immediately reversed in any event, by other countervailing effects due to the current floating exchange rate system. Concretely, every time Trump has put new tariffs on China, that country’s currency has dropped, thereby offsetting the tariff effect on its exports to the United States. The net result of this approach has been that the trade deficit of the United States has *increased*, not fallen; and that tensions have increased with the countries that should be our allies.



UNICEF/Gilles Vauclair

In Cholomo Honduras, sleep interrupts an exhausted child laborer’s hand-stitching of cowhide covers onto softballs produced for the U.S. market.

The Actual Migration Issue: Genocide

One key to understanding the real issue behind the migrant crisis on the U.S.-Mexican border, is that of the huge increase in illegal migrants being detained at the border, a growing majority are Central Americans coming from the so-called Northern Triangle nations (Guatemala, El Salvador and Honduras), and not Mexicans.

Why the falling number of Mexicans? Historically, there have been huge flows of undocumented Mexicans entering the U.S., even more than from Central America.

There are a number of reasons for the relative de-

cline in Mexicans. Beginning with the 2008 financial crash and economic collapse, more Mexicans began leaving the United States than entering it each year. As a result, the total number of unauthorized immigrants from Mexico residing in the U.S. declined from 6.9 million in 2007 to 4.9 million in 2017, according to the Pew Research Center. Then in each of the last three fiscal years (2015-18), the number of southwest border apprehensions of non-Mexicans has exceeded that of Mexicans, for the first time. And in the first eight months of fiscal 2019 (which began in September 2018), the Central American component of total apprehensions has soared even further. Some press accounts indicate that up to 90% of those currently being detained come from the Northern Triangle countries.

One of the reasons is plainly political. George Soros, the world's leading drug legalizer and mega-speculator, is a prominent financier of vicious non-governmental organizations that are heavily involved in the lucrative human trafficking networks operating in Central America and Mexico. According to Mexican Foreign Minister Marcelo Ebrard, these criminal operations produce \$6 billion per year in revenue. These groups are actually just cogs in the broader \$2 trillion per year Dope, Inc., apparatus, which runs drugs, illegal arms, and human trafficking on behalf of the British Empire.

Soros is intent on destabilizing and toppling the Trump government, and has been using his assets in Central America to beat the bushes to deliberately induce caravans of desperate people towards the U.S. border, to try to create violent incidents and an overall crisis for Trump. It is noteworthy that the Mexican government arrested two top agents in this network on June 5—just as the negotiations in Washington were getting underway. Irineo Mujica, director of the U.S.-Mexican migrant rights group Pueblo Sin Fronteras (People Without Borders), was arrested along with migrant “activist” Cristóbal Sánchez. Both are involved in organizing Central American caravans of migrants.

A day later, on June 6, the Financial Investigative Unit (UIF) of Mexico's Finance Ministry announced it had blocked the bank accounts of 26 individuals accused of trafficking Central American migrants through Mexico. The UIF reported that it had “detected a series of financial organizations and transfers from Querétaro [Mexico] to six cities on the U.S. border . . . originating in El Salvador, Honduras, Guatemala, Cameroon, the U.S. and England.”

The Flow of Migrants

Another important reason there are far fewer Mexicans than Central Americans in the massive flow of migrants at the U.S. border, is that the Mexican government has actually gotten a handful of major infrastructure and other projects underway, which have helped create some job opportunities, and have given rise in the population to a sense of hope about prospects for the future inside the country. As AMLO himself has repeatedly stated, people don't leave their homeland because they want to, but out of despair and the need to simply survive. Help bring about development in Mexico and Central America, AMLO has told



swiss-image.ch/Michael Wuertenberg

World's leading drug legalization promoter and mega-speculator, George Soros, in 2011.

President Trump, and that is the best way to start cutting into the migration problem. AMLO rightly argued that the *worst* thing to do to reduce migration, is to impose trade tariffs that would only sink the Mexican and Central American economies further into hell.

And hell it is. According to a study recently published in the Mexican daily *El Economista*, in El Salvador in 2018, 66% of workers were employed in the informal economy; in Guatemala, it was 71%; and Honduras 72%. The “informal” sector is just a polite way of saying the drugs-and-gangs-dominated black economy in general—where “employment” often means prostitution, street peddling and begging, and the like. It is, in fact, disguised *unemployment*, from the standpoint of a productive physical economy.

The real unemployment rate in the Northern Triangle countries of Central America ranges from 50 to

80%. In Honduras, a whopping 51% of its population lives in extreme poverty; 46% in Guatemala, and 13% in El Salvador. Violence, as a result of drug cartel and gang-related activity, is another key factor in the desperate migration. Honduras's murder rate stands at 44 per 100,000 inhabitants; El Salvador, 51 per 100,000. Guatemala's rate is somewhat lower at 22 per 100,000. But the totality of circumstances in the region constitutes intentional genocide.

China and the World Land-Bridge

Just think of what the region would look like if the United States and China had already jointly broken ground on building a high-speed railroad from Panama, through Central America, and into Mexico and the United States, as the backbone of an industrial development corridor that would provide millions of productive jobs to the region's desperate population—as the LaRouche movement has long advocated.

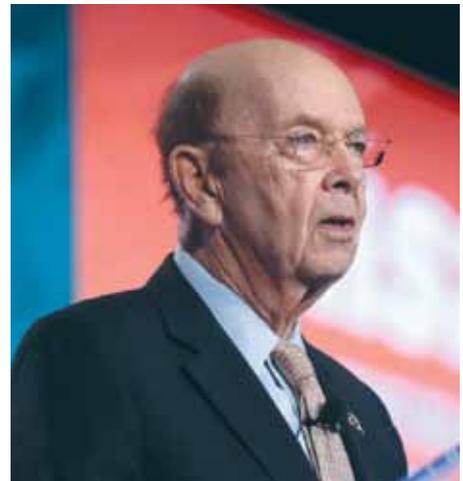
Consider what other joint great development projects could be launched throughout the Caribbean Basin, if the U.S. and China were to jointly take up that task. This would lead to a sharp increase in U.S. capital goods exports throughout the region, and the return to the U.S. of well-paying productive jobs needed to produce those exports. Detroit could be Detroit again! (See the excerpts below from the 2018 Schiller Institute [special report](#), *The New Silk Road Becomes the World Land-Bridge, Vol. II: A Shared Future for Humanity*, for a discussion of some of the proposed great projects for the region.)

And yet, major political figures in Trump's immediate circle have insisted on the opposite approach. For example, Secretary of State Mike Pompeo, on June 10 was quick to pronounce, that despite the agreements reached between Trump and AMLO, the U.S. would *not* be providing any additional funds for regional development: the U.S. “made no incremental resource commitments associated with this deal,” he stated; no “resource assistance” was offered to the Mexican gov-

ernment to deliver these outcomes, nor to Central America. “Where we find it in our interest in the Northern Triangle or in Mexico to provide resources that make sense to protect the American people, we'll do that. But in the first instance, these nations have the responsibility to take care of these immigration problems in their home country.”

Pompeo has also been one of the most vocal opponents within the administration to cooperating with China on economic matters, despite the fact that it is President Trump's stated intent to do so.

Commerce Secretary Wilbur Ross has also delivered a message to the Mexicans to stay away from Chi-



Gage Skidmore

Major political figures in Trump's immediate circle have insisted on U.S. policies toward Mexico directly opposite to those of the Presidents of both countries. Two such figures are Secretary of State Michael Pompeo (left) and Secretary of Commerce Wilbur Ross.

nese investment, or else. According to Alfonso Romo, the head of the Office of the Presidency (Chief of Staff) of Mexico, “In Merida, after the [April 12, 2019] CEO Dialogue ended, a number of members from Mexico had a meeting with Secretary Wilbur Ross. . . . He said to us: ‘Well, I want to ask for a number of things; we want to strengthen our relationship because the only path the U.S. has, is to have a very strong common front trade bloc to compete with China,’ he said. ‘Second, we don’t want any very active participation of Chinese investment in Mexico, especially in strategic projects.’”

But that is exactly the area in which the U.S. and China must cooperate to bring development to Mexico and Central America, as the only viable way to solve the trade, migrant, drug and related crises.