

Ortiz does not believe that prohibiting industrial production in the area is the answer. Rather, pollution control mechanisms must be adopted, using tax breaks to stimulate their implementation. In addition, a good public transportation system must be created to encourage people to leave their cars at home (on the average, 70% of the vehicles on the road at any one time are cars with only one or two passengers).

Finally, Ortiz explains that some kind of investment must be made in relation to the problem, either to deal with the causes or to deal with the effects of pollution. For example, if the pollution remains very serious, then more money will have to be spent in the health sector. He adds that studies done in the U.S. have shown that for every \$21 million spent to prevent pollution, \$28 million would have had to have been spent to deal with the effects of that pollution had it not been prevented.

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BUT WE DON'T HAVE THE RESOURCES

At any time of day, the streets are jammed with cars; nearby buildings disappear in the smog; people push and shove to find transportation; and public protests demanding a solution to pollution problems are increasingly common. As a result, the government has come out with a new program which is being implemented as of last february.

But the real problem is that the country does not have the resources to implement solutions. Before, there was no ecological consciousness; now there is no money.

Ortiz Monasterio summarized the situation in these terms, "In Mexico, especially with the severe financial crisis, we are confronted with the fact that one of the phenomena that accompanies economic dependence and the brutal reality of the foreign debt, is the destruction of the natural environment."

Within this context, then, the solution must lie in society's capacity to invest its scarce resources so as to resolve its most urgent needs, those needs that concern our survival as a species.

The specialists we interviewed have made the matter all too clear for us. If the pollution problem is not solved soon, one day we may all have to flee Mexico City, -or face collective ecocide.★

Enrique Vargas Anaya

The Tourist Industry Struggles to Stay Afloat

A recent increase in air fares raises fears that the era of cheap vacations may be over; what is the real state of the industry?

Mexico's beaches longed for visitors last December. Taxi drivers dreamed nostalgically of the good old days when there was a tourist on every corner. Hotel rooms waited,

in solitude and vacant, and restaurant tables were left empty.

In fact, the average Mexican family now prefers to spend their vacations at home as the inflation rate makes the prospects of travel less inviting all the time. 1985 was a difficult year for the country, marked by diplomatic conflicts, natural disasters and economic

In some countries, they even thought that Mexico City had disappeared from the map, totally destroyed in the quake.

THE IMPORTANCE OF TOURISM

Tourism is important for Mexico not only because of the income it generates, but also because it is a source of development for certain regions, which lack other



Hotel restaurant at mid-day.

Photo by Carlos Gatell.

problems. Mexico City's streets bear bitter reminders of those difficulties. And tourism fell off. While this turn of events was slowly acknowledged by government officials, businessmen and other Mexicans who make their living from it, tourism has now become an important source of concern for the country. Just when Mexico most needs non-petroleum sources of income to help ameliorate the economic crisis, the flow of tourists to the country stagnated, and in many cases, decreased.

Drug traffic accusations, last September's earthquakes, disinformation campaigns and defamatory declarations all conspired against Mexico.

major productive activities.

While the reduction in tourism does not have the same dire effects for Mexico as the drop in international oil prices, nonetheless, the country has suffered important losses in this area. At the beginning of 1986, the Mexican National Bank stated that 17.5 percent fewer tourists visited Mexico last year than the year before, while 11 percent more Mexicans left the country for vacations. These figures imply a net foreign exchange loss of \$800 million. Border transactions had a negative balance of some \$340 million, and foreign exchange generated by tourism dropped by \$400 million.

the nation

flights, popular with foreign tourists, are being authorized. Mexico's highways now have more service stations than ever, and they're equipped to sell butane gas for campers. And a number of changes have been made in economic policies to stimulate investment in tourism.

Tourism not only attracts resources to Mexico that

help the country to meet its huge debt payments, and it is not only a source of jobs for tens of thousands. Beyond these pragmatic aspects, tourism provides the Mexican people with the opportunity to offer their traditional hospitality to visitors from around the world.★

Jorge Luis Sierra Guzmán

maintain competitive prices for its products on the world market and to have practically union-free shops. Thus, they have received preferential treatment.

Export-oriented *maquiladoras* have been established especially along Mexico's northern border. Eighty-nine percent of these plants are located in 34 municipal areas stretched across the 2,547 km.-long border with the United States. By the year 2000, some eight million jobs will be taken from the U.S. and reestablished in developing countries. Three million of them could well be in Mexico.

According to some calculations, Mexico has the potential to export more than \$5 billion in goods produced by *ma-*

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Producing for U.S. Industry on the Mexican Side of the Border

Everyone living to the south of the border knows that U.S. industry could not survive without them; the question is, does the Mexican economy need it, too?

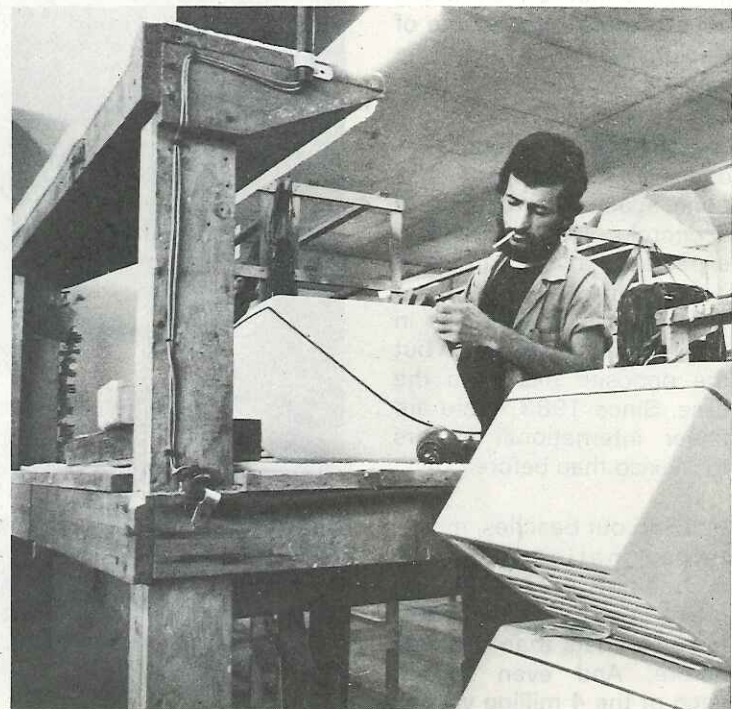
The word "*maquila*" comes from the Arabic word for a "measure." In Spanish, *maquila* means that part of the grain, flour or oil given to the miller as payment in kind for his services.

Today, the word is used to refer to the practice of subcontracting the production or assembly of certain goods to a firm, which will then be used in the productive process of another firm. This process was first introduced in the 1960s in Mexico's northern states, especially in Baja California, Sonora and Chihuahua. By the early 1970s, the practice had become entrenched, aided by new legislation referring to the *maquiladora* industry.

In Baja California, both private industry, as well as government-run enterprises, such as the Urban Development Agency of Tijuana, with federal, state and municipal government participation, use this process. In the early 1980s, the New Tijuana City Industrial Complex was built, and more recently construction began on two new industrial parks, *El Florida*, near Tecate, and *La Gloria*, on the road toward Rosarito, all of which serve *maquiladora* industries.

By providing official sanction for the *maquiladora* industry, the Mexican government hoped to slow the flow of migration to the U.S. and to create industrial development centers within the country. But twenty-one years later, can we say that the *maquiladoras* have either slowed the out-migration or contributed to reactivating the Mexican economy?

For Mexico, the *maquiladoras* represent the use of cheap labor working intensive work shifts; in other words, they generate jobs and foreign exchange. For the U.S., they represent the possibility to reduce production costs significantly, to



Maquila industry.

quiladoras. In fact, *maquiladoras* already represent ten percent of all of Mexico's manufacturing activities.

Jesús Tamayo, researcher at CIDE (a graduate-level research and teaching institution that works in the areas of economics, public administration, international affairs, political studies and applied mathematics), states that the *maquila* moves forward because it is not a national project, but is rather, multi-national. "It grows in the midst of paralyzation." The problem is that the government has neither a sectorial nor a regional policy for the *maquila*, although Tamayo acknowledges that they have helped to create jobs and to produce foreign exchange, even though most of the dollars end up being spent in the U.S.

According to the CIDE researcher, the *maquiladoras* brought in about \$1 billion annually before the economic crisis. This year it is likely that they will once again bring in that amount of income. And he adds that what this means is that Mexico will earn about the same amount of foreign exchange for double the effort because of the falling exchange rate of the peso against the dollar.

According to Jorge Salman Haddad, President of the Coordinating Council of *Maquiladora* Industries, by 1992, Mexico will be the home for the largest number of *maquiladoras* in