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Mexico offers US companies opportunities

Cabinet Minister, Consulate promote development

BY SEAN CRUZ

Mexico is experiencing its second largest flow of foreign investment in national history as companies from around the world move to take advantage of its economic recovery from the peso crash of December 1994, and the new legal and financial frameworks the Mexican government has instituted to promote infrastructure and natural resources development as well as international trade.

MAQUILADORAS ARE TIP OF ICEBERG

While maquiladoras--foreign assembly or manufacturing plants--have been the enterprises receiving the most notice in the US press, it is investments in infrastructure and sustainable natural resources development that are of paramount concern to the Mexican nation.

Mexico's Secretary of the Environment, Natural Resources and Fisheries, Julia Carabias Lillo, was in Portland recently to provide information about natural resources development policy at the highest level. Speaking at the Northwest-Mexico Environmental Conference in October 17, Secretary Carabias and two key Mexican experts discussed a variety of issues pertaining to development opportunities.

Apart from Mexico's strategic location--on the Pacific Rim to the West, facing Europe on the East, the political and logistical key to trade between North and South America--there are a host of reasons why Mexico is an increasingly attractive target for US investment.

MEXICO OPEN TO SUSTAINABLE DEVELOPMENT

Perhaps chief among them is the fact that Mexico has recognized that a key component of improving the country's environmental infrastructure lies in the participation of the private sector in providing natural resources development and environmental technologies, equipment and services. To facilitate this end, the government has made fundamental changes to constitutional and regulatory law and created a Cabinet-level post to promote and oversee development.

Secretary Lillo, a long-time environmentalist and former President of the National

Institute of Ecology, was appointed to lead the newly-formed Ministry of the Environment, Natural Resources and Fisheries in 1994. Her organization will also coordinate irrigation and drinking water, solid waste, air quality, and forest projects. Each of these development activities will involve partnerships with the Mexican government. "We want to be partners, not clients," the Secretary stated.

PROJECTS ARE OPEN TO US BIDDING

The Ministry is specifically encouraging US firms to bid on a wide variety of projects, among them: sustainable aquaculture, with current projects in softshell crabs, frog legs, scallops, seed scallops, and mollusks (oyster and clams); potable water delivery and storage systems; and sewer and solid waste infrastructure. Current investment requirements in irrigation projects alone is estimated at \$2.5 billion dollars.

In addition to construction contracts, Mexico is structuring bidding to offer long-term management opportunities to US firms that specialize in operating and maintaining infrastructure.

Secretary Lillo noted that since 1994, the largest 100 foreign-owned companies operating in Mexico have increased their investments by 50%.

COMMERCIAL PLANTATIONS ARE HOT

She stated that commercial plantations offer some of the most important development opportunities in Mexico, where soil compositions and climate combine to make a substantially shorter growing cycle than in the United States--8 to 15 years for forestry cuts as opposed to 25 to 30 years--and where the biological diversity is among the richest on the planet.

Mexico also offers substantial potential in fisheries, where a need to convert to deeper water fishing and to modernize processing and packing facilities is recognized. Of the 73,000 commercial fishing boats currently operating from Mexican ports, only 3,000 are capable of deep sea operations.

MEXICAN ECONOMY MOVING UP

Speaking on the state of the Mexican econ-

omy, Dr. Juan Carlos Belausteguigoita, an expert in environmental economics for the Ministry of the Environment, stated that chief among the economic indicators which have contributed to the enthusiasm of foreign investors have been: the inflation rate is coming down; unemployment is down; the GNP is growing; the stock market has been on an upward trend since the crash; the exchange rates are stable, and the trade account is healthy.

MEXICO-US DEBT AHEAD OF SCHEDULE

Mexico is also repaying its emergency loan from the US--extended by President Clinton at the peak of the 1994 peso crisis--ahead of schedule. The controversial \$20 billion dollars that the US made available to Mexico to avert a social catastrophe has been paid down to only \$3.5 billion and Mexico's international credit rating has moved upward, a direct benefit to both countries.

MEXICAN ENVIRONMENTAL POLICY

"Mexican and environmental and natural resource policy aims at promoting the use of resources and environmental protection in a way that encourages the improvement of the quality of life of present and future generations," the Ministry's policy paper stated. "Achieving economic growth, the fight against poverty and protecting the environment are the pillars of sustainable development."

MEXICAN CONSUL AIDS OREGON BUSINESS

The Secretary's visit was coordinated by the Mexican Consulate, the US-Mexico Chamber of Commerce, and the World Affairs Council of Oregon. The Consul's presence in Portland provides a means for Oregon companies to discuss opportunities directly with officials of the United States of Mexico (Los Estados Unidos de Mexico is the official name of our southern neighbor).

This visit was the first of many high-level officials who will come to offer trade and cultural exchange opportunities to Oregonians as the Consulate begins operations here.

Strengthening America's Families

"Hispanics are making huge strides in ways we could not have even imagined just a generation ago. I don't want any Hispanic child in America to feel that his or her race is an impediment to full achievement. Every child has a right to the American Dream, and all of us have a responsibility to nourish that dream,"--President Clinton.

President Clinton is committed to ensuring that Latinos have the same opportunities as all Americans. The President's policies strengthen families, create more jobs and business opportunities, and ensure a quality education for all of our children. President Clinton has addressed the concerns of the Hispanic-American community by:

- Helping to create over 220,000 new

businesses owned by Hispanic Americans. The Clinton Administration has made new tax cuts available to over 90 percent of all small businesses;

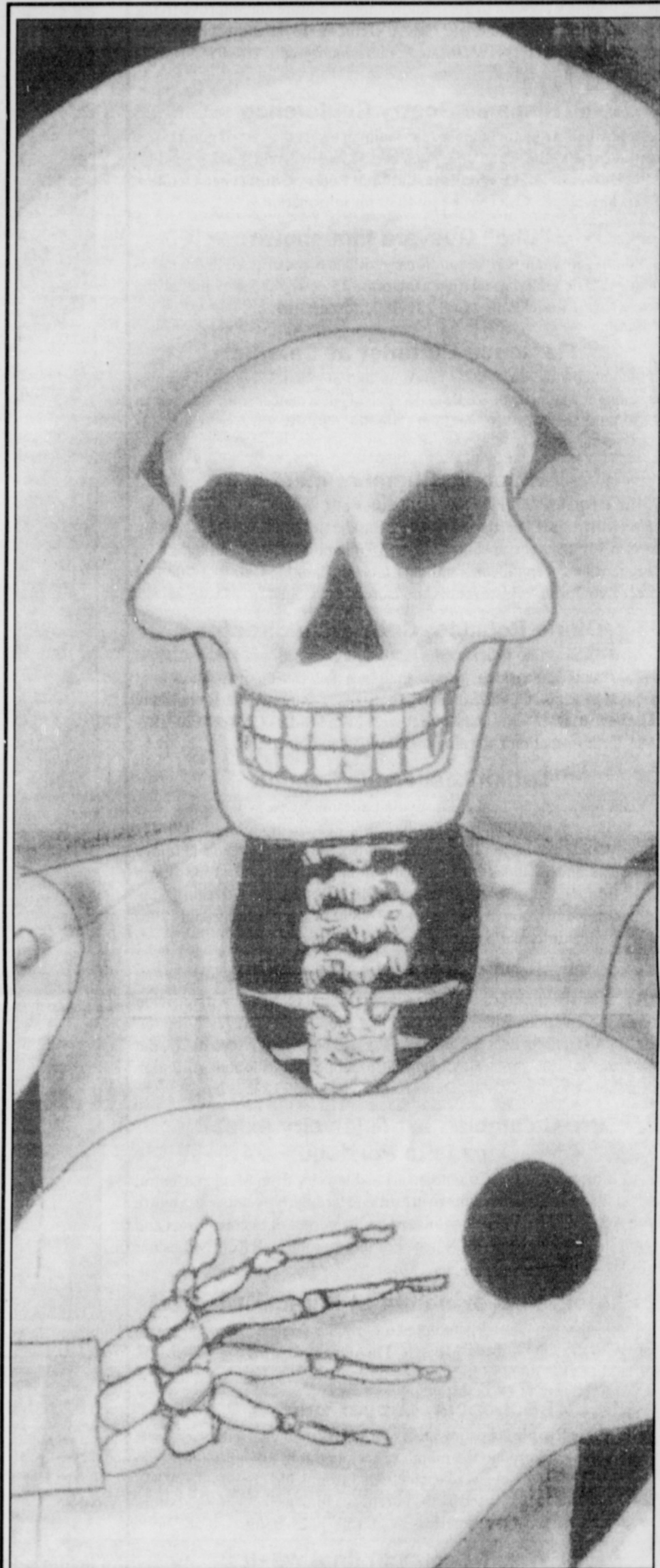
- Expanding the Earned Income Tax Credit (EITC) to provide tax relief for 15 million working families so parents do not have to raise their children in poverty;

- Standing up for the government's affirmative action programs and concluding that they are still effective and important tools to expand education and economic opportunity for all Americans. President Clinton wants to "mend, not end" affirmative action;

- Appointing the most diverse Cabinet and Administration in history. The President reached out to the Latino community to fill

hundreds of positions in our government. From Henry Cisneros, U.S. Secretary of Housing, Urban, and Development, and Frederico Pena, U.S. Secretary of Transportation, to the hundreds of other Latinos who help run our government, there are now more Hispanics in senior-level positions than at any time in our nation's history. The President has also appointed a record number (16) of Latinos to the federal, district, and circuit courts;

- Signing the Health Insurance Reform Act (Kassebaum-Kennedy Bill) which expands and protects access to health insurance by limiting exclusions for pre-existing conditions and allowing individuals to take their insurance with them when they change or lose their jobs.



El dia de los Muertos

November 2 is Dia de los Muertos, or the Day of the Dead. Each year, Mexicans honor the memory of our ancestors on November 2 with fiestas (parties), ofrendas (gifts) and calaveras (skeletons). The holiday is called el Dia de los Muertos, or the Day of the Dead.

Artwork courtesy of the Miracle Theater Group.

Tlatelolco remembered

On Oct. 2, 1968, just days before Mexico City was to host the Olympic Games, a growing student protest movement to free political prisoners and demand more democracy was crushed when police opened fire, killing an estimated 300 people.

The 1968 crackdown silenced the protests, but also brought international scorn on Mexico. It is widely seen to have led to guerrilla movements of the 1970s, and today is a prickly annual reminder for the government that discontent is endemic.

The protesters sought to recall the tragedy but also to unload ire and sarcasm on President Ernesto Zedillo, denounce the army and, in some cases, show support for current guerrilla forces in the Mexican countryside.

The new generation of protesters, mostly students but also including a wide array of left-wing groups, clearly revelled in calling for the ouster of the ruling Institutional Revolutionary Party (PRI) that has governed for 67 years.

At least 10,000 converged on the Zocalo, Mexico City's main plaza, to hear a series of political speeches. The air of heady idealism

was punctuated by well-rehearsed cheers--sort of a pep rally with long hair, black jeans and nose rings.

"Their blood (of the 1968 victims) was not in vain," Luis Jorge Pena, a veteran of the 1968 movement, told Reuters during the march. "The government can't do today what they did then. They shot students just for painting insignias on the walls."

"The PRI doesn't stand a chance with the young people of today," added Federico Emery, another of the 1968 student leaders who marched at the front of the line.

Several students spoke of "class awareness" and the desire to see an abrupt end to the reign of the PRI, while others praised the Maya Indian-based Zapatista guerrillas in southern Chiapas state or the Popular Revolutionary Army (EPR) operating in several central-south Mexican states.

"The government is murdering peasants," said one young man with a can of spray paint and a T-shirt on which Zapatista leader Subcommander Marcos was pictured. "The issues of 1968 are the same today."

United Farm Workers persevere

When Cesar Chavez died in 1993, people thought it was the end of the United Farm Workers. But they were wrong, says Dolores Huerta, who co-founded the union with Chavez.

More than 26,000 workers in California, Arizona and Texas are on the union rolls, the organization's credit union has made loans of \$14 million to workers, the union medical plan covers workers during the growing season and the off-season and the union-sponsored housing program has built 6,000 homes for workers and their families.

In the past three years, the union has added 5,000 members, and organizers are working with mushroom pickers in Florida and more than 15,000 strawberry pickers in California, she said.

The obstacles still are there. "Cesar said it will take time because the growers are too rich, too powerful and too racist," Huerta told the Cesar Chavez Peace and Justice Awards luncheon this week.

She said union officials organizing strawberry pickers in California have been beaten

and that owners have plowed under the strawberry crop and fired workers rather than recognize the union.

And most states still do not have workers' compensation insurance for agricultural workers or unemployment pay for seasonal employees, she said.

Huerta has been campaigning with the Rev. Jesse Jackson against California's Proposition 209, which would prohibit racial and gender preferences in public hiring, contracting and education.

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