

USNA Imperialism and the Immigration of Mexican Workers into the USNA

As the capitalist economic crisis in the USNA deepens, the forces of fascism in this country are on the rise. The fascist forces are trying to whip up white chauvinism and national chauvinism against "illegal" immigrants to try and divide the working class on the basis of nationality. These fascist attacks on working people are also an attempt by the bourgeoisie to put the blame of the capitalist economic crisis, especially unemployment, on "illegal" immigrants; when the economic crisis is actually a result of the inherent contradictions of the capitalist system.

The struggle around undocumented workers has been especially intense in the Southwestern region of the USNA, because of its proximity to Mexico and the large amount of Mexican national minority people in the Southwest. There have already been several raids in Los Angeles where Mexican national minority workers and Mexican workers were rounded up and many were deported.

To be able to understand why Mexican workers have to come to the USNA to find employment, we must understand the relationship between USNA imperialism and the economy of Mexico, and how this relationship affects the immigration of Mexican workers into the USNA. USNA capitalism has not always been in the stage of monopoly capitalism, or imperialism. Capitalism had been in the period of "free competition" in the nineteenth century, until it was transformed into its opposite, monopoly capitalism or imperialism, which began "at the end of the nineteenth century." (1)

In part, Lenin differentiated monopoly capitalism from the "old capitalism," by writing that "typical of the latest stage of capitalism, when monopolies rule, is the export of capital." (2) That is, under imperialism the imperialist country dominates the colony through primarily the export of capital, not just commodities. Under imperialism, surplus capital will be used for the purpose of "increasing profits by exporting capital abroad to the backward countries. In these backward countries profits are usually high, for capital is scarce, the price of land is relatively low, wages are low, raw materials are cheap." (3)

But of course this does not mean that only capital, and not commodities, are exported. Lenin writes that the "export of capital thus becomes a means of encouraging the export of commodities." (4) This means that to understand the degree of imperialist penetration into a colony we should study primarily the amount of capital exported to that country.

USNA capital investment in Latin America has always concentrated primarily in Mexico. By 1890, over one-half, or 250 million dollars, of USNA capital in Latin America was in Mexico. By 1897, this amount had increased to 320 million dollars, or two-thirds of the USNA capital in Latin America. (5) In 1910, corporations in Mexico owned by the USNA accounted for 64 per cent of the railroads, 75 per cent of the mineral production, and 58 per cent of the petroleum production. In addition to this, by 1910 42 per cent of the national wealth of Mexico was controlled by imperialists. (6) This imperialist domination of the Mexican economy, primarily by the USNA, was one of the factors which led to the Mexican Revolution of 1911.

The Mexican Revolution was basically a national-democratic revolution under the leadership of peasants in the countryside and some elements of the national bourgeoisie. Since the revolution was not led by the working class, it was unable to completely break the ties with imperialist capital. The private land of USNA citizens was confiscated, and they were paid 37 million dollars in compensation. Some of the industries dominated by USNA capital were not nationalized until the partial nationalization under President Lazaro Cardenas from 1934 to 1940. Cardenas nationalized the USNA investments in the railroads and the petroleum sector which resulted in an international boycott of Mexico by some imperialist capital, especially that from the USNA. USNA capital in Mexico dropped from 683 million dollars in 1926 to 316 million dollars in 1946. (7)

This partial boycott of Mexico by imperialist capital had a paradoxical effect on Mexico's economy. According to Keith Griffin, a bourgeois economist, "Far from preventing the Mexican 'take-off', the boycott accelerated development by forcing the Mexicans to create an efficient entrepreneurial class." (8) This means that the Mexican national bourgeoisie actually had to stand on its own feet. During the boycott, the Mexican economy achieved its highest annual rates of growth ever, and this with a decrease in the amount of foreign capital. In 1941 and 1943 the annual rates of growth of the GNP of Mexico were 12.39 and 13.4 respectively. (9) These are the highest rates of GNP growth in the history of the Mexican economy. The benefits of this economic growth of course went to the national bourgeoisie and not to the workers or the peasants.

Cardenas, since he represented the national bourgeoisie, did not make a complete break with the USNA imperialists, so USNA capital once again began to dominate the Mexican economy after 1950. The following table is a general outline for the amount of USNA capital and total foreign capital in the Mexican economy from 1950 to 1970: (10)

Table 1
Value of total foreign capital and USNA capital (1950-1970)
(thousands of dollars)

Years	Total Foreign Capital	USNA Capital
1950	566,002	389,740
1957	1,165,082	906,829
1958	1,169,517	884,866
1959	1,244,731	921,962
1960	1,081,313	899,670
1961	1,130,367	964,122
1962	1,285,917	1,092,862
1963	1,417,298	1,199,719
1964	1,552,442	1,296,452
1965	1,744,725	1,456,934
1966	1,937,990	1,619,920
1967	2,095,520	1,674,625
1968	2,316,278	1,879,715
1969	2,576,115	2,044,048
1970	2,822,272	2,240,737

This table shows the large amount of imperialist capital which has accumulated in Mexico, and which reached 2.8 billion dollars by 1970. The USNA is the dominant imperialist power in Mexico with 2.2 billion dollars worth of capital in 1970, or 83 percent of the total foreign investment of capital. In 1950, the USNA portion of foreign capital in Mexico was 68 percent, so by 1970 the USNA had become clearly the primary imperialist power in Mexico.

When this foreign capital investment is broken down by sector, then it becomes even more obvious that imperialist capital is concentrated in the important industrial sector. The following table is the amount of USNA and total foreign capital investment by sectors of the Mexican economy in 1970: (11)

Table 2
Value of total foreign and USNA capital investment by sector (1970)
(thousands of dollars)

Sector	Total foreign capital	USNA capital
Agriculture	30,896	30,896
Mines	155,444	141,760
Petroleum	26,315	25,989
Industry	2,083,096	1,636,168
Construction	9,768	5,705
Electricity	2,974	2,974
Commercial	436,178	336,990
Transportation	7,920	6,993
Other	69,681	53,262

This table explicitly shows that imperialist capital, especially USNA capital, dominates in the important industrial sector. The USNA capital in the industrial sector, 1,636,168 dollars, is 78 percent of the total foreign capital investment in the industrial sector, and 73 percent of the total USNA investment in Mexico.

Another important indicator of the degree to which imperialist capital dominates the Mexican economy is the amount of profit expropriated by foreign monopolies. The following table is the amount of profit expropriated by foreign and USNA monopolies from 1960 to 1970: (12)

Table 3
Annual profits from capital by foreign and USNA monopolies (1960-70)
(thousands of dollars)

Year	Total Foreign Profit	U.S. profit
1960	141,566	112,079
1961	148,067	129,621
1962	159,567	136,745
1963	185,567	151,096
1964	236,082	199,109
1965	236,147	203,074
1966	277,434	239,444
1967	321,894	263,494
1968	375,894	307,718
1969	435,477	348,355
1970	473,552	371,728
Total (11 yrs.)	2,931,247	2,472,463

This table shows that nearly 3 billion dollars have been expropriated from the Mexican working class in an eleven-year period from 1960 to 1970 by the imperialists. The USNA has expropriated 2.5 billion dollars in this period, or 82 percent of the total foreign profit. Also, the amount of foreign capital in Mexico has increased from 1,081, 313,000 dollars in 1960 to 2,822,272,000 in 1970, or an increase of 1,740,959,000 dollars. This means that only 1,740,959,000 dollars of 2,931,247,000 dollars made in profit over the past eleven years by foreign monopolies has been reinvested in Mexico. Therefore, a total of \$1,190,288,000 have been expropriated from the Mexican economy from 1960 to 1970 without even being reinvested. The amount of profit by USNA monopolies in this period was 2,472,463,000 dollars while the amount of USNA capital invested increased 1,341,069,000 dollars from 1960 to 1970. Therefore, the USNA imperialists have made a net profit of 1,131,394,000 dollars from the Mexican working class in the last eleven years. The rate of return on investment by USNA monopolies on their capital in Mexico in 1970 was a staggering 12 percent.

The percentage of imperialist's capital share in the output or production of the entire Mexican economy has also increased considerably since 1962 as the following table shows: (13)

Table 4
Participation of the foreign monopolies in the value
of the production of the entire economy (1962-1970)
(millions of pesos)

Year	Total National Production	Foreign Production	Foreign %
1962	275,711	26,945	9.8
1963	306,567	30,836	10.1
1964	360,441	37,201	10.3
1965	392,153	42,060	10.7
1966	434,726	47,668	10.9
1967	473,280	55,705	11.8
1968	521,198	65,321	12.5
1969	575,473	73,629	12.8
1970	646,727	81,292	12.6

The percentage of the commodities produced by foreign monopolies as a part of the total output of the economy has actually increased from 9.8 percent in 1962 to 12.6 percent in 1970. This is an absolute increase of 2.8 percent in just eight years, while it is a relative increase of 28 percent.

The total number of companies in Mexico in 1970 controlled by foreign capital was 1,915. Of these companies, 1,481 were controlled by USNA capital. Of the total number of foreign controlled companies, 1,070 had no Mexican participation while only 845 companies had some Mexican participation. 1,110 of these foreign controlled companies were located in the important industrial sector. (14)

Although total foreign capital in Mexico is only 8.5 percent of the total private capital, it is concentrated and increasing its control of the important industrial sector. In 1962, foreign capital accounted for 19.6 percent of the total industrial capital in Mexico while by 1970 this had increased to 27.6 percent. (15) In the important mining sector, foreign capital was actually much greater in 1967 than that of Mexican national capital. In the mining sector in 1967 there was a total of 127 million dollars of Mexican capital while there was 316 million dollars of foreign capital. (16)

All this means that the Mexican economy is dominated by imperialist capital, in particular USNA capital. USNA capital in Mexico has not created more employment, but in actuality has kept Mexico underdeveloped; thereby forcing Mexican workers to immigrate to the USNA for employment. USNA capital has not created more jobs first of all because the

profits made in Mexico by USNA monopolies are drained away. Second, the foreign capital introduces highly mechanized industry which has been developed in the USNA and which does not require much labor time. And third, much of the capital used by foreign monopolies in Mexico is local Mexican capital borrowed from local banks since they would rather lend to foreign monopolies which are lower risks. (17)

This of course does not mean that when the USNA imperialists are driven from Mexico that the Mexican workers and peasants will be in control of their economy and have a decent standard of living. This only means that there exists a contradiction between the Mexican national bourgeoisie and the USNA imperialists. Only under the leadership of the Mexican working class will the Mexican people be able to expel imperialist capital and build a socialist economy.

Since Mexico's economy has been underdeveloped by imperialist capital, the amount of immigration to the USNA by Mexican workers is a direct result of imperialist exploitation of Mexico. The unemployment rate in Mexico has always ranged between 25 percent and 40 percent due to the domination of the economy by USNA capital, so Mexican workers have always had to immigrate to the USNA in varying degrees to find employment. The amount of Mexican immigration has varied widely over the years since 1900. The following table is a breakdown of "legal" Mexican immigration into the USNA by five-year periods since 1900. This is only the "legal" number of immigrants since it is almost impossible to calculate the number of "illegal" immigrants: (18)

Table 5
Number of Mexican Immigrants (1900-1964)

Period	Number of Immigrants
1900-1904	2,259
1905-1909	21,732
1910-1914	82,588
1915-1919	91,075
1920-1924	249,248
1925-1929	238,527
1930-1934	19,200
1935-1939	8,737
1940-1944	16,548
1945-1949	37,742
1950-1954	78,723
1955-1959	214,746
1960-1964	217,827

This table shows that the first large immigration to the USNA from Mexico began around the revolutionary period in Mexico around 1910. These people were primarily the petty-bourgeoisie who were fleeing from the revolution. The amount of immigration continued to increase until

World War I because the USNA economy demanded more farm laborers, especially in the Southwestern region. The bourgeois sociologist, Leo Grebler, states that "World War I sharply increased the demand for American farm and fiber products, but the supply of agricultural workers failed to match the product demand." (19) During the 1920's the "Mexican immigrants provided the solution to the problems of assuring a low-wage labor supply" so the "solicitation of Mexican workers by farm and non-farm enterprises" was stepped up. (20)

Then the USNA economy was struck by the most severe capitalist crisis yet in the 1930's. From 1930 to 1940 the amount of "legal" immigration to the USNA from Mexico dropped to only 27,937 people. This was primarily because the unemployment rate in the USNA had risen to 25 percent in 1935, so there was no shortage of labor.

By World War II and the 1940's, the "demand for labor increased sharply," again, but "Mexico, too, enjoyed prosperity" during the 1940's. (21) This period was also the period when USNA capital was boycotting Mexico and had the adverse effect of stimulating the Mexican economy. The early 1940's was a period of very high economic growth for the Mexican economy. The amount of immigration did increase to 16,548 in the period from 1940 to 1944, but this amount was relatively small compared to other periods of growth in the USNA economy such as the 1920's and part of the 1950's period. Of course, there are many factors influencing the rate of immigration, especially the state of the USNA and Mexican economies. In the period from 1940 to 1944, the primary factor was the expansion of the Mexican economy. This relative growth in the Mexican economy was partially countered by an expansion in the USNA which resulted in a small increase in the amount of immigration.

In the 1940's the Bracero Program was begun to provide temporary workers for USNA capitalists. This was because "irrigated agriculture was being expanded in the Southwest" and "the addition of 7,500,000 acres to the agricultural lands of the seventeen western states between 1945 and 1955 to 1959, the amount of "legal" immigration had greatly increased to 214,746 to meet the needs of the capitalists demands for cheap labor. This was also a period when USNA capital had begun to dominate the Mexican economy again.

During the McCarthy period of intense anti-communist hysteria, the fascist forces at the time in the USNA whipped up national chauvinism; and thousands of Mexican workers and Mexican national minority workers were arrested and deported. During the 1960's once again there were large amounts of immigration since the USNA capitalists needed cheap labor to exploit. Once again another crisis has hit the USNA capitalist system. Once again the fascist forces are whipping up national chauvinism and directing it against the Mexican national minority people in the Southwest.

But there are certain elements in the USNA labor movement who do not see the attack on Mexican workers as an attack on the entire working class. This form of opportunism and national chauvinism is characteristic of not only the bourgeoisie, but also the labor aristocracy. As Lenin once wrote,

"The fight against imperialism is a sham and humbug unless it is inseparably bound up with the fight against opportunism." (23) This attack on "illegal" Mexican workers is an attack on one of the most exploited sections of the USNA working class and also one of the most progressive sections. Mexican workers in the USNA, especially in the Southwest, have led many of the most militant struggles against monopoly capitalism. (24)

Conclusion:

USNA capital has penetrated into and now dominates the economy of Mexico. USNA imperialism has subjugated Mexico to its needs and has underdeveloped its economy. This has resulted in there being perennially high unemployment in Mexico, even higher than in most capitalist countries. This high level of unemployment, along with encouragement from USNA capitalists, has forced Mexican workers to immigrate to the USNA in order to survive. Once in the USNA, they are subjected to extreme exploitation by the monopoly capitalists.

There has also existed generally over periods of several years a relationship between the amount of USNA capital in Mexico and the rate of immigration from Mexico to the USNA. There are many factors in determining this relationship's effect on immigration, but generally there is a tendency for the amount of immigration to be directly influenced by the amount of USNA capital invested in Mexico. This means that USNA imperialism is the cause of Mexican immigration into the USNA.

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Footnotes:

1. V. I. Lenin, *Imperialism, the Highest Stage of Capitalism*, (1916), *Collected Works*, (Progress Publishers, Moscow, 1964), Vol. 22, p. 201.
2. *Ibid.*, p. 240
3. *Ibid.*, p. 241.
4. *Ibid.*, p. 244.
5. Marvin D. Bernstein, *Foreign Investment in Latin America*, (New York: Knopf, 1969) p. 7.
6. Morris Singer, *Growth, Equality, and the Mexican Experience*, (University of Texas, 1969), p. 136.
7. Keith Griffin, *Underdevelopment in Spanish America*, (Cambridge: MIT Press, 1969) p. 136.
8. *Ibid.*
9. Singer, *op. cit.*, p. 109.
10. Bernardo Sepulveda and Antonio Chumacero, *La Inversion Extranjero en Mexico*, (Mexico: 1973) Table 3 (my translation).
11. *Ibid.*, Table 1 & 3.
12. *Ibid.*, Table 6.
13. *Ibid.*, Table 14.
14. *Ibid.*, Table 8.
15. "Quarterly Economic Review: Mexico," April 4, 1973, p. 5
16. Sepulveda and Chumacero, *op. cit.*, Table 11.
17. North American Congress on Latin America (NACLA), *Yanqui Dollar*, (New York: 1971) p. 57.