

MEXICO IS RICH

Mexico is the wealthiest nation in Latin America, with the highest GDP south of the Rio Grande. Certainly there are many poor people in Mexico, since perhaps half the country lives in poverty. However, the nation as a whole is quite wealthy and could well afford the sort of improvements in education and infrastructure that would better the living standards of all Mexicans.

But the Mexican ultra-rich don't like to tax themselves for social investment, and it helps them most of all that the American taxpayer has been forced to support Mexicans living in the United States. Every dollar spent in U.S. taxes for social services for illegal aliens frees up additional cash which can be part of the annual remittances which now provide the second highest source of foreign income for Mexico.

Consider some relevant facts:

- Mexico has the highest Gross Domestic Product in Latin America, substantially higher than runner-up Brazil.
- When measured in GDP per capita, Mexico ranks #2 behind Argentina.
- According to *Forbes* magazine, half of Latin American billionaires are Mexican. In terms of total money, Mexicans accounted for \$24 billion, half (50.2 percent) of the total worth of Latin billionaires.
- Mexico raises less revenue through taxation than nearly any other Latin American country, just 12 percent, which is one reason why the nation's wealth is not better utilized. By comparison, the United States takes in 25-28 percent of its gross domestic profit in taxes.
- Economist Gary Hufbauer of the Institute for International Economics has remarked, "It's up to Mexico to solve its problem, and basically the wealthy classes do not want to tax themselves, period. While I'm not usually an advocate for larger government, Mexico is a country where public investment, done wisely, could pay huge dividends."
- Mexico expert Prof. George Grayson of William and Mary College calls Mexico an "immensely wealthy nation."
- Mexico's economy is the world's tenth largest.
- When the ruling party needed a hefty sum for the 1994 election, Presidente Salinas leaned on rich businessmen to write \$25 million checks at an infamous dinner party, where contributions totaled a staggering \$750 million by evening's end. (By comparison, in March 2004 President Bush had a campaign war chest of around \$150 million.)

In short, Washington should stop treating Mexico as a poor nation needing our help in terms of immigration deals and financial support.

For supporting documentation of this material, please see:

<http://www.limitstogrowth.org/WEB-text/finance-mexican.html>