

stalking U.S. businessmen as a large reserve of cheap labor and immunity from import duties.

The basic setup is fairly simple. Within a 12½-mile strip along its border, plus the entire state of Baja California, Mexico permits the introduction from the U.S. of machinery, other facilities, materials and goods without normal import duties and taxation. On the other side, U.S. tariff laws permit goods to come back into this country from this border area without payment of duties except on whatever value has been added to them in Mexico.

As a result, U.S. firms have been setting up runaway plants in such Mexican border communities as Tijuana, Mexicali, Juarez and Nuevo Laredo, and hiring Mexican workers at wages like \$24 a week (six days) to perform such operations as sewing, soldering and assembling. The companies ship materials from the U.S. to these communities for such operations and then return the finished or partly-finished products to the U.S. for sale or for completion before sale.

The border industrialization program, actively promoted by the Mexican Government, is called PRONAF from the Spanish, El Programa Nacional Fronterizo. Here are some of the just-south-of-the-border operations that have sprung up:

Litton Industries, two plants in Tijuana, 150 Mexican workers assembling magnetic memory cores.

International Manufacturing, Electronics and Consulting Corp. (IMEC) in Tijuana, 50 to 300 Mexican workers assembling computer circuits.

Fairchild Camera, two plants in Tijuana, up to 400 workers assembling electronic components.

Raytheon, two plants in Mexicali, over 150 workers assembling integrated circuits.

Solitron Devices in Mexicali, over 150 workers assembling semiconductors.

Transitron in Nuevo Laredo with up to 1,500 workers assembling electronic components.

Sarkes Tarzian Co. in Nuevo Laredo and Piedras Negras, 150 workers assembling TV components, including base sets for VHF tuners used by General Electric in its sets.

Curtis Mathes in Nuevo Laredo with 100 people working on transformers and electronic components.

Motorola in Nogales where at least 150 employees assemble and test semiconductor components.

Electronic Control Corp. in Matamoros, employing 70 Mexicans to assemble semiconductors, light switches and temperature controls for air conditioning.

These are some of the electrical and electronics firms that have responded to PRONAF. There are other companies, such as apparel makers (Kayser-Roth, 225 workers sewing in Mexicali), service industries (A. C. Nielsen, 300 people sorting grocery coupons in Nuevo Laredo and Juarez), toymakers (Mattel, 200 assemblers employed in Mexicali), small products manufacturers (Kanar, Inc., 280 Mexicans making hair clips in Tijuana), and food processors, furniture manufacturers and wig makers.

Estimates of the total investment and employment by U.S. firms in Mexico's border area vary, but there's general agreement that it's grown fast and, given a continuation of present conditions, will continue to grow. The number of companies involved may already exceed 100, according to the AFL-CIO Research Department. One observer sees a Mexican payroll of \$400-\$600 million by mid-year.

One incomplete city-by-city breakdown of the U.S.-owned plants, the number of people employed for all industries and for the electrical-electronics industry runs like this:

	All industries		Electrical-electronics	
	Plants	Workers	Plants	Workers
Mexicali.....	30	1,522	13	758
Juarez.....	16	1,570	4	172
Tijuana.....	11	741	7	463
Nuevo Laredo.....	5	856	3	800
Tecate.....	4	258	3	180
Piedras Negras.....	4	305	2	125
Matamoros.....	4	301	2	101
Nogales.....	2	128	1	118
Total.....	76	5,681	35	2,717